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Subchapter 10A CSRS and FERS**Part 10A1 General Information****Subpart 10A1.1 Overview and Definitions****Section 10A1.1-1 Overview**

**A. Organization of
This Chapter**

1. This Chapter contains the rules for determining whether an employee is covered by the Federal Employees Retirement System (FERS) or the Civil Service Retirement System (CSRS). This Chapter also contains rules to determine whether an employee with CSRS coverage has regular CSRS coverage or CSRS Offset coverage.
 2. **Subchapter A** contains definitions, historical background information, rules and procedures for determining coverage, and information on reviewing prior coverage determinations.
 3. **Subchapter B** contains examples of application of the coverage rules.
 4. **Subchapter C** contains job aids for use in making coverage decisions.
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**B. Organization of
Subchapter**

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**C. Statement of
Authority**

This Chapter and its contents are based on the laws and regulations cited below.

- Law: chapter 83 and chapter 84 of title 5, U.S. Code
 - Regulations: 5 CFR Parts 831, 841, 842, and 846
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Section 10A1.1-2 Definitions

**A. Creditable
Civilian Service**

Creditable civilian service for making a coverage decision is any service that would be creditable under CSRS, even if this service was **not** covered by CSRS deductions or if deductions have been refunded. For the purpose of the 5-year test, it includes all potentially creditable service, such as service performed under another retirement system, which would be creditable if any necessary deposit were made. See section 10A1.3-7D for more information.

B. Conversions

Conversions occur when employees move from one appointment in an agency to another appointment in the same agency with no break in service or with a break in service of 3 days or less.

C. CSRS

1. **CSRS** is the Civil Service Retirement System established in subchapter III of chapter 83 of title 5, U.S. Code. The law that created CSRS was enacted in 1920.
2. Individuals covered under CSRS pay CSRS employee deductions. Unless they are CSRS Offset, they are excluded from OASDI taxes of Social Security. They may contribute up to 5 percent of pay to a thrift account, but they do not receive any government contribution.

D. CSRS Interim

1. **CSRS Interim** is a version of CSRS established pending creation of a new retirement system for employees first hired after December 31, 1983, and certain rehires.
2. Employees covered by CSRS Interim provisions paid OASDI taxes and a reduced CSRS contribution. CSRS retirement and survivor benefits are offset by the value of the interim service in Social Security benefits.
3. When FERS became effective, employees with CSRS Interim coverage acquired either FERS or CSRS Offset coverage.

E. CSRS Offset

1. **CSRS Offset** is a version of CSRS established for employees who become subject to OASDI taxes and have completed at least 5 years of civilian service creditable under CSRS.
 2. Individuals covered under CSRS Offset pay OASDI taxes and a reduced CSRS contribution. CSRS retirement and survivor benefits are offset by the value of the offset service in their Social Security benefits.
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Section 10A1.1-2 (Cont.)**F. Federal Employee**

1. The basic definition of the term "Federal employee" is contained in 5 U.S.C. 2105. It states that an employee is a person who is:
 - a. appointed in the civil service by one of the following acting in an official capacity --
 - (i) the President;
 - (ii) a Member or Members of Congress, or the Congress;
 - (iii) a member of a uniformed service;
 - (iv) an individual who is an employee under this definition;
 - (v) the head of a Government controlled corporation; or
 - (vi) an adjutant general designated by the Secretary concerned under section 709(c) of title 32;
 - b. engaged in the performance of Federal function under authority of law or an Executive act; and
 - c. subject to the supervision of an individual named by a. while engaged in the performance of the duties of his or her position.
2. For retirement purposes, both CSRS and FERS law modify this definition to exclude some groups of employees from retirement coverage under CSRS or FERS. For CSRS, "employee" is further defined in 5 U.S.C. 8331(1). For FERS, "employee" is further defined in 5 U.S.C 8401(11).
3. See Subpart 10A1.3 "Coverage Rules: Inclusions, Exclusions, and Exceptions" for the lists of statutorily excluded and included employees.

G. FERS

1. **FERS** is the Federal Employees Retirement System established by Public Law 99-335 in chapter 84 of title 5, U.S. Code, and effective January 1, 1987.
2. Individuals covered under FERS pay Social Security taxes and FERS basic benefit deductions. They also receive an automatic 1 percent government contribution to a Thrift Savings Plan account, can contribute up to 10 percent of pay to a thrift account, and can receive up to 4 percent matching government contributions.

H. First Hires

First hires are newly appointed employees who have no prior Federal civilian service.

Section 10A1.1-2 (Cont.)**I. 5-Year Test**

1. **Purpose.** The **5-year test** is one of the tests to be applied before determining that an employee being rehired, transferred, or converted is automatically subject to FERS. If an employee satisfies the 5-year test, he or she is not automatically covered by FERS, even though he or she may be excluded from CSRS coverage.
2. **How to apply.** If there has been no break in service of more than 3 days ending after December 31, 1986, the 5-year test is met if the employee had 5 years of creditable civilian service as of December 31, 1986. (See definition of "creditable civilian service.") **If the employee has had a break in service of more than 3 days ending after 1986,** the 5-year test is met if the employee had any amount of past coverage under the CSRS or Foreign Service Retirement System (FSRS) and also had 5 years of creditable civilian service as of the break in service. The 5-year test is not applicable to employees who have previously been covered by FERS.
3. **EXAMPLES:** The following statements are examples of how the 5-year test works. Statements 3a and 3b concern exclusions from automatic FERS coverage on January 1, 1987. Statements 3c, 3d, and 3e concern exclusions from automatic coverage upon rehire, transfer, and conversion actions occurring on or after January 1, 1987. Subchapter 10B contains additional examples of how the coverage rules work.
 - a. Employees who were covered by CSRS Interim and who, as of December 31, 1986, had 5 or more years of creditable civilian service were excluded from automatic FERS coverage when FERS became effective on January 1, 1987.
 - b. Employees who, as of December 31, 1986, had 5 or more years of creditable civilian service, and who held appointments that are excluded from CSRS coverage, but not FERS (that is, term appointments, temporary appointments pending establishment of registers (TAPER), and excepted appointments designated as indefinite), were excluded from automatic coverage under FERS on January 1, 1987.

Section 10A1.1-2 (Cont.)

**I. 5-Year Test
(Cont.)**

- c. Rehires on or after January 1, 1987, who had 5 or more years of creditable civilian service **on the date of separation** from last Federal employment **and** had some prior coverage under CSRS or the FSRS are excluded from automatic FERS coverage.
- d. Employees who **transfer or convert with no break in service** to an appointment that is not excluded from **either** CSRS or FERS and who had 5 or more years of creditable civilian service as of December 31, 1986, are excluded from automatic FERS coverage. The determination of whether there has been a break in service depends on whether there has been a break in service of 4 or more days that ended after December 31, 1986.
- e. Employees who transfer or convert with no break in service to a senior official position are excluded from automatic FERS coverage even if they did not have 5 years of creditable civilian service as of December 31, 1986.

J. Member

For the purposes of Federal retirement coverage, a **Member** means a Member of Congress as defined by sections, 8331(2) and 8401(20) of title 5, U.S. Code.

K. Rehires

Rehires are employees who have previous Federal civilian service and are reemployed by the Federal government following a break in service of 4 days or more.

L. OASDI Coverage

OASDI coverage means the employee is subject to Old Age, Survivors and Disability Insurance (OASDI) taxes required by the Internal Revenue Code. These taxes are also referred to as FICA taxes (Federal Insurance >Contributions< Act). They form the basis for Social Security benefits administered by the Social Security Administration. Whether subject to OASDI taxes or not, all Federal employees (other than nonresident aliens) are subject to Health Insurance (HI) taxes, that is, Medicare. For the purpose of this manual, the terms Social Security, OASDI, and FICA are used interchangeably.

**M. Senior
Officials**

Senior Officials are high level officials, such as noncareer members of the Senior Executive Service and certain Presidential appointees with Senate confirmation, who are subject to mandatory Social Security OASDI coverage. The senior officials who are subject to mandatory Social Security coverage are listed in >section 10A1.3-6<.

Section 10A1.1-2 (Cont.)

N. Transfers	Transfers occur when employees move from one Federal agency to another with no break in service or a break in service of 3 days or less.
O. Temporary Limited Employees	Temporary limited employees are employees hired under a temporary limited appointment not to exceed 1 year. Unless the employee otherwise meets the requirements for coverage, the appointment is not covered by CSRS or FERS.
P. Provisional Employees	Provisional employees are hired under temporary appointments to positions that are known to be permanent, that are specifically intended to lead to conversion to permanent appointments and are needed to fulfill an eligibility requirement for the conversion. Unlike temporary employees, provisional employees may be treated as nontemporary employees for purposes of retirement coverage. These employees must meet all requirements set out in 5 CFR 316.403 to be considered provisional employees.

Subpart 10A1.2 Historical Background**Section 10A1.2-1 Background: Retirement System Coverage**

A. Introduction	This section contains brief historical background information concerning CSRS and FERS.
B. Civilian Retirement Prior to 1984	<ol style="list-style-type: none"> 1. Prior to 1984, the Civil Service Retirement System (CSRS) was the civilian retirement system for most Federal employees. The type of appointment generally determined if an employee had coverage under CSRS. CSRS coverage is documented on SF 50 with codes 1 and 6. (See subchapter 10C for >where to find< an explanation of SF 50 codes.) 2. Federal employees who were not covered under CSRS had: <ul style="list-style-type: none"> • Coverage under one of the other retirement systems established for Federal employees (for example, Foreign Service Retirement System (FSRS)); • Coverage under Social Security; or • No coverage. 3. In addition to CSRS being the major retirement system for Federal employees, certain groups of non-Federal employees were given CSRS coverage, or allowed to retain it; for example, employees of the District of Columbia Government, employees of the Alaska Railroad upon its transfer to the State of Alaska, etc.
C. CSRS and Social Security	<ol style="list-style-type: none"> 1. Until 1984, coverage under CSRS exempted employees from OASDI taxes. Thus, prior to 1984, if an individual was subject to CSRS, he or she was not covered under OASDI. 2. The Social Security Amendments of 1983 (Public Law 98-21) provided that certain Federal employees, principally those first hired after December 31, 1983, be covered by OASDI.
D. CSRS Interim	Pending the establishment of a new retirement system, Public Law 98-168 required CSRS employees subject to the 1983 amendments to begin making reduced contributions (1.3 percent of basic pay for most employees) to CSRS in conjunction with Social Security taxes. Individuals covered under CSRS and Social Security during these interim years (January 1, 1984, through December 31, 1986) are called CSRS Interim employees. Their retirement coverage is documented on SF 50 with codes C or E.

Section 10A1.2-1 (Cont.)**E. FERS**

1. Public Law 99-335 provided a new retirement system for Federal employees called the Federal Employees Retirement System (FERS).
2. When FERS became effective on January 1, 1987, CSRS Interim employees with less than 5 years of creditable civilian service on December 31, 1986, were automatically converted to FERS. Generally, employees who were first hired after December 31, 1983, who are subject to OASDI taxes are subject to FERS, unless the appointment is temporary or intermittent. (See section 10A1.3-5.) FERS coverage is documented on SF 50 with codes K, L, M, or N.
3. With the establishment of FERS, the CSRS became a closed system. Therefore, employees who were first hired on or after January 1, 1987, cannot have >full< CSRS coverage. Depending on the employee's appointment and any prior non-Federal service that is creditable under CSRS, the employee may be covered by FERS, only Social Security, or CSRS Offset; or have no coverage at all. (Note: Certain employees of non-Federal entities continued to be eligible for CSRS coverage if hired before October 1, 1988. See Chapter 12, Special Coverage Rules, for special rules applicable to these individuals.)

F. CSRS Offset

1. The FERS law also created **CSRS Offset** as a continuation of CSRS Interim provisions for employees with CSRS Interim coverage who were not automatically covered by FERS. CSRS Offset employees also have CSRS deductions and benefits offset by Social Security.
2. Generally, CSRS Offset employees are employees who had a break in CSRS covered service of >more than< 1 year and at least 5 years of creditable civilian service by the end of 1986. Their retirement coverage is documented on SF 50 with codes C or E also.

G. Open Season

Employees who were eligible to elect FERS coverage were given the opportunity to join the new plan during an open season from July 1, 1987, through December 31, 1987.

H. Coverage After Open Season

Individuals first hired after December 31, 1983, who meet basic eligibility requirements are automatically covered by FERS. CSRS and CSRS Offset employees who transfer from one agency to another agency, change appointments, or are rehired with or without a break in service, generally do not have a change in coverage. Generally, rehires who have a break of 4 or more days and who are not automatically covered by FERS may elect to transfer to FERS within 6 months of being rehired unless the appointment is temporary or intermittent. (See section 10A1.3-5.)

Section 10A1.2-1 (Cont.)**I. Summary**

To summarize, determining coverage now depends on the following factors:

- Date of employee's first appointment
 - Type of prior retirement coverage
 - Amount and dates of service and of any breaks in service
 - Type of appointment
 - FERS election opportunities
 - Social Security coverage.
-

Section 10A1.2-2 Background: Social Security Coverage

A. Introduction

This section briefly summarizes the impact of OASDI coverage on retirement coverage.

B. Reference

>See Chapter 9 of the *Social Security Handbook* for a detailed discussion of the special Social Security coverage provisions for Federal employees.<

C. Relation to Federal Retirement

Until 1983, most Federal employees were excluded from Social Security taxes because they were covered by the CSRS. However, the following changes in the law changed this relationship as shown below.

D. Chart

LAW	EFFECTIVE DATE	IMPACT
Tax Equity and Fiscal Responsibility Act (Section 278 Public Law 97-248)	1/1/83	Required most Federal employees to pay HI (Medicare) tax, even if not subject to OASDI.
Social Security Amendments of 1983 (Section 101 of Public Law 98-21)	1/1/84	Required all newly hired Federal employees, most employees rehired after a break in service of more than 365 days, the President, Vice President, Members of Congress, Federal judges, and certain other senior Federal officials to pay OASDI taxes.
Federal Employees' Retirement System Act (Public Law 99-335)	1/1/87	Allowed most CSRS employees the opportunity to choose to have OASDI coverage by electing to be covered under FERS during the July-December 1987 open season.

Subpart 10A1.3 Coverage Rules: Inclusions, Exclusions, Exceptions**Section 10A1.3-1 Retirement Coverage: General Rule**

A. General Rule	All Federal employees are covered by either the Civil Service Retirement System (CSRS) or the Federal Employees Retirement System (FERS), unless they are specifically excluded by law or regulations.
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Section 10A1.3-2 CSRS: General Rules: CSRS Coverage

A. General Rule

The following guidelines summarize which Federal employees are generally subject to CSRS coverage. Section 10A1.3-3 lists exclusions from CSRS coverage that are in the law and OPM regulations. If one of the exclusions in section 10A1.3-3 applies, do **not** use the guidelines that follow.

1. **First Hires:** First hires after December 31, 1983, are automatically subject to FERS and are excluded from CSRS.
2. **CSRS Rehires:**
 - a. CSRS rehires are employees who had CSRS coverage before. An employee who was under only CSRS, without OASDI coverage, remains under only CSRS if he or she returns to a CSRS-covered position within 365 days of the separation from a CSRS position. The exceptions are: (1) individuals who had CSRS coverage in non-Federal employment (see section >10A1.3-6E<); and (2) individuals who are entering certain senior official positions (see section 10A1.3-6).
 - b. A rehire on or after January 1, 1984, has CSRS Interim or Offset coverage if he or she has had a break in CSRS coverage of more than 365 days. For actions on or after January 1, 1987, the employee must also meet the 5-year test (see section 10A1.1-2I).
3. **Transfers and Conversions:**
 - a. Persons who had CSRS coverage (regular or Offset) in the last appointment retain the CSRS coverage they had in the new appointment, unless the new position is excluded by law from CSRS coverage.
 - b. If the new appointment is as a senior official, see Chapter 101, Special Retirement Provisions for Senior Officials.
 - c. If a change >which occurs on or after January 1, 1987, is from an appointment that was excluded from CSRS coverage to one that is not,< the employee must meet the 5-year test (see section 10A1.1-2I).

Section 10A1.3-2 (Cont.)**A. General Rule
(Cont.)**

NOTE 1: Specific provisions of law allow employees who move to international organizations, and State or local governments on Intergovernmental Personnel Act assignments to retain CSRS coverage under special procedures. See Chapter 12, Special Coverage Rules.

NOTE 2: Specific provisions of law allow certain categories of people who are not Federal employees to have CSRS coverage. Examples are individuals first employed by the government of the District of Columbia before October 1, 1987, individuals employed by >Gallaudet< University, individuals employed by the Alaska Railroad upon its transfer to the State of Alaska, etc. For further information, see Chapter 12, Special Coverage Rules.

Section 10A1.3-3 CSRS: Exclusions and Exceptions

A. Authority

Certain individuals are excluded from the definition of employee under CSRS or CSRS Offset by law or regulation. Exclusions by law are listed in subchapter III of chapter 83 of title 5, U.S. Code. Exclusions by regulation are listed in 5 CFR 831.201.

**B. Exclusions by Law
(5 U.S.C. 8331(1))**

The following are excluded from CSRS coverage by law.

EXECUTIVE BRANCH:

1. The President.
2. Employees subject to another Government retirement system (for example, FSRS, FERS, TVA).
3. Construction or other temporary, part-time, or intermittent TVA employees.
4. Interns, student nurses, and other student employees in government hospitals.
5. The following employment is also excluded by law from CSRS coverage: the employment of a teacher in dependents schools of the DOD in overseas areas in the recess period between two school years in a position other than the teaching position in which he or she served immediately before the recess period.

JUDICIAL BRANCH:

6. Judges of the U.S. appointed for life.
7. Certain temporary employees of the Administrative Office of the U.S. Courts, other than the Supreme Court.

CERTAIN FOREIGN NATIONAL EMPLOYEES:

8. Foreign nationals >at Foreign Service posts abroad,< appointed after December 31, 1987.

Section 10A1.3-3 (Cont.)

**B. Exclusions by Law
(5 U.S.C. 8331(1))
(Cont.)****EMPLOYEES OF THE GOVERNMENT OF THE DISTRICT OF COLUMBIA:**

9. Employees of the DC Government first hired after September 30, 1987, except for employees of St. Elizabeths Hospital who transferred to the DC Government on October 1, 1987.

CERTAIN LEGISLATIVE BRANCH EMPLOYEES:

10. An employee of the Architect of the Capitol, the Library of Congress, or the Botanic Garden who is excluded under the authority of the Architect of the Capitol, the Librarian of Congress, or the Director or Acting Director of the Botanic Garden.

NONEMPLOYEES:

11. Special provisions of law outside subchapter III of chapter 83 of the United States Code provided CSRS coverage to employees of entities other than Federal agencies, including the State Justice Institute, the Legal Services Corporation, and the American Institute in Taiwan. Under Public Law 100-238, effective October 1, 1988, those provisions no longer provide coverage to an individual who becomes employed by one of those entities. Employees already covered by CSRS as of October 1, 1988, continue to be subject to CSRS coverage (or CSRS Offset coverage if also subject to OASDI tax). The continuity of coverage rule (see section 10A1.3-3D) does not apply to an employee under CSRS who moves to such an entity on and after October 1, 1988. See Chapter 12, Special Coverage Rules, for further information.

**C. Exclusion by
Regulation (5 CFR
831.201(a))**

Unless covered by an exception, the following employees in the executive branch of the Federal government are excluded from coverage by OPM regulation. Authority citations for the appointment or identifying information from an SF 50 are also shown where useful to further identify the exclusion.

1. **Temporary Appointment.** Employees serving under appointments limited to 1 year or less. The length of the appointment is the governing factor. A series of appointments and extensions each limited to 1 year or less does not confer coverage. The exclusion does not apply to employees in provisional appointments (nature of action 190 or 590), or to annuitants appointed by the President to fill unexpired terms of office on or after June 1, 1976.

Section 10A1.3-3 (Cont.)

- C. Exclusion by Regulation (5 CFR 831.201(a)) (Cont.)**
2. **Intermittent Tour of Duty.** Intermittent employees, that is, nonfull-time employees without a regularly scheduled tour of duty. (Work schedule code is I or J.)
 3. **TAPER.** Employees serving under temporary appointments pending establishment of a register (temporary appointment-PER), or pending final determination of eligibility for permanent appointment (5 CFR Part 316). (Natures of action are 112 and 512.)
 4. **Indefinite Appointment.** Employees serving under nonpermanent appointments, designated as indefinite, made after January 23, 1955, the effective date of the repeal of Executive Order 10180.
 5. **Term Appointment.** Employees serving under term appointments (5 CFR Part 316). (Natures of action are 108 and 508.)
 6. United States citizens given overseas limited appointments (5 CFR Part 8). (Natures of action are 120, 122, 520, and 522.)
 7. Employees serving under limited term, limited emergency, and noncareer (designated as indefinite) appointments in the Senior Executive Service (5 U.S.C. 3394). (Natures of action are 146, 147, 148, 149, 546, 548, and 549 when SF 50 carries remark "appointment is indefinite.")
 8. Employees whose salary, pay, or compensation on an annual basis is \$12 a year or less. This applies to employees who are serving without pay or at nominal rates.
 9. Beneficiary or patient employees in Government hospitals or homes. This refers to beneficiary and patient employees of the United States Soldiers' and Airmen's Home, the VA, and other United States facilities. It does not apply to trainees, nurses, interns, or others who are regularly employed and may reside on the premises.

Section 10A1.3-3 (Cont.)

- C. Exclusion by Regulation (5 CFR 831.201(a)) (Cont.)**
10. Employees paid on a piecework basis except those whose work schedule provides for regular or full-time service.
 11. Intermittent alien employees engaged in work outside the continental limits of the United States.
 12. Officers in charge, clerks in fourth-class post offices, substitute rural carriers, and special delivery messengers at second, third, and fourth-class post offices.
 13. Consular agents appointed under authority of section 551 of the Foreign Service Act of 1946 (22 U.S.C. 951).
 14. Employees serving under emergency-indefinite appointments **not** exceeding 5 years.
 15. Employees serving under nonpermanent appointments made >between December 1, 1950, and January 24, 1955<, pursuant to section 1 of Executive Order 10180.
 16. Temporary employees of the Census Bureau employed under temporary limited appointments exceeding 1 year.
 17. Health care employees of the National Health Service Corps serving under appointments limited to 4 years or less in health manpower shortage areas.
-
- D. Exceptions to Exclusions by Regulation (5 CFR 831.201(b))**
1. There are no exceptions to the exclusions by law. There are, however, certain exceptions to the executive branch exclusions by regulation.
 2. An employee automatically acquires or retains retirement coverage under any of the following conditions:
 - a. **Transfers and Conversions:** When employment in an excluded category under paragraph C follows employment subject to CSRS without a break in service, or after a separation from the service of 3 days or less, (except for an alien employee whose duty station is located in a foreign country) the employee retains coverage. This is called the "continuity of coverage" rule.

Section 10A1.3-3 (Cont.)**D. Exceptions to
Exclusions by
Regulation (5 CFR
831.201(b)) (Cont.)****b. Changes in Status:**

(i) When the employee is granted competitive civil service status under legislation, Executive Order, or the civil service rules and regulations, while serving in a position in the competitive service or if the employee receives a career or career-conditional appointment, the exclusions in paragraph C of this section do not apply.

(ii) When the employee previously had competitive civil service status and this status is restored by action of reinstatement, the employee retains coverage.

c. Canal Zone Merit Status: When the employee is granted Canal Zone merit status, the employee retains coverage.

NOTE: This coverage could not apply before June 11, 1960, the effective date of this exception.

**E. Summary: CSRS
Quick Reference**

For quick reference, employees with the following common categories of appointments or work schedules are generally excluded from CSRS coverage:

- Temporary limited appointments of 1 year or less
- Term appointments
- Temporary appointments pending establishment of registers (TAPER)
- Excepted appointments designated as indefinite
- Intermittent work schedules (unless the employee has a career or career-conditional appointment).

Section 10A1.3-4 FERS: General Coverage Rule

A. General Rule

Coverage under FERS requires that an individual:

- a. Be a Federal employee;
- b. Be covered by OASDI;
- c. Have an appointment that is not temporary (other than a provisional appointment) or intermittent; and

- d. Be paid based on units of time (that is, not on a piecework basis).
-

**B. Automatic
Coverage**

- 1. CSRS Interim employees who did not meet the 5-year test (see section 10A1.1-2I) on December 31, 1986, became automatically covered by FERS on January 1, 1987. No employees who were under only CSRS (with CSRS deductions of 7, 7.5, or 8 percent of pay) were automatically converted to FERS, even though they may have had less than 5 years of service on December 31, 1986. Certain senior officials were also excluded from automatic coverage even though they had less than 5 years of service. (See section 10A1.3-5.)
 - 2. Most automatic coverage changes were actually made effective at the beginning of the first pay period in 1987.
 - 3. After December 31, 1986, employees who are rehired or converted are automatically covered by FERS unless they meet the 5-year test (see section 10A1.1-2I) or are excluded from OASDI coverage.
 - 4. An employee who has once been covered under FERS cannot have CSRS (including CSRS Offset) coverage in future Federal appointments.
-

Section 10A1.3-4 (Cont.)**C. Coverage by
Election**

Employees in appointments not excluded from FERS coverage by law or regulation have been permitted to elect FERS coverage (including OASDI coverage):

- During the July 1, to December 31, 1987, open season;
 - Within 6 months following being rehired after a break in service of 4 days or more;
 - >Within 6 months of transferring to or being converted to an appointment covered by CSRS, from an appointment not covered by CSRS;<
 - Within 6 months of transferring to or being converted to an appointment that is excluded from CSRS, but not FERS, coverage; or
 - Within 6 months of transferring to or being converted to a senior official position if the official was covered by CSRS only (without FICA). See Chapter 101, Special Retirement Provisions for Senior Officials, of this Handbook.
-

Section 10A1.3-5 FERS: Exclusions

A. Authority

Employees who meet the definition of employee in 5 U.S.C. 8401(11) and who are covered under OASDI are covered under FERS unless specifically excluded from FERS by law or regulation.

**B. General
Exclusions by Law
(5 U.S.C. 8401(11))**

The following individuals are excluded by law from the definition of employee.

1. Individuals ineligible for OASDI coverage.
2. A justice or judge of the United States appointed for life.
3. Certain temporary employees of the Administrative Office of the United States Courts.
4. A construction employee or other temporary, part-time, or intermittent employee of the Tennessee Valley Authority.
5. Interns, student nurses, and other student employees in government hospitals.
6. An individual subject to another retirement system for government employees.
7. Certain employees of the Architect of the Capitol, Library of Congress, Botanic Garden, the Office of Technology Assessment, or certain Congressional employees may be excluded under the authority of the Architect of the Capitol, the Librarian of Congress, the Director >or Acting Director of the< Botanic Garden, the Director of the Office of Technology Assessment, or the Clerk of the House of Representatives, or Secretary of the Senate, respectively.
8. The following employment is also excluded by law from FERS coverage: the employment of a teacher in dependents schools of the DOD in overseas areas in the recess period between two school years in a position other than the teaching position in which he or she served immediately before the recess period.

Section 10A1.3-5 (Cont.)**B. General
Exclusions by Law
(5 U.S.C.
8401(11))(Cont.)**

NOTE 1: Employees of the District of Columbia Government are not Federal employees, so they are not eligible for FERS coverage. Non-resident foreign nationals are also ineligible for FERS because they are excluded from Social Security. Non-resident foreign nationals are generally covered by their own nation's Social Security system.

NOTE 2: Specific provisions of law allow employees who move to international organizations, employee organizations, and State or local governments on Intergovernmental Personnel Act assignments to retain FERS coverage under special procedures if the employee continues Social Security coverage. See Chapter 12, Special Coverage Rules.

NOTE 3: Effective October 1, 1988, Public Law 100-690 gave employees of the State Justice Institute FERS coverage even though they are not Federal employees for most purposes.

**C. Exclusions by Law
Unless FERS
Coverage is
Elected (5 U.S.C.
8402(b))**

In establishing FERS, the Congress was very explicit in excluding employees from **automatic** FERS coverage if they were covered by only CSRS, or if they were potentially vested under the CSRS (that is, for a future retirement benefit) by having at least 5 years of creditable civilian service. The following categories of employees may only acquire FERS coverage by **electing** it.

1. Employees who are covered under CSRS only.
2. Senior officials eligible for special election opportunities during the July 1 to December 31, 1987, open season. Apply general rules to individuals in senior official positions who were not eligible for the special election opportunities. (See Chapter 101.)
3. Employees who meet the 5-year test in section 10A1.1-2I.

Section 10A1.3-5 (Cont.)**D. Regulatory
Exclusions
(5 CFR 842.105)**

1. The following categories of employees in or under an executive agency, the United States Postal Service, or the Postal Rate Commission are excluded from FERS by OPM regulations:
 - a. Employees serving under appointments (other than provisional appointments) limited to 1 year or less. The kind of appointment is the governing factor. A series of appointments and extensions each limited to 1 year or less does not confer coverage.
 - b. Intermittent employees serving under other than career or career-conditional appointments.

EXCEPTION: When an employee who is covered by FERS moves to a position listed as one of the above regulatory exclusions without a break in service or after a separation of 3 days or less, his or her FERS coverage continues. This exception does not apply to a person who moves into a position excluded by law (listed in paragraph B of this section). When a FERS annuitant is reemployed, he or she is also covered by FERS unless employed on an intermittent basis.

**E. FERS Quick
Reference**

1. Federal employees first hired after December 31, 1983, who are subject to OASDI taxes are covered under FERS, unless excluded by specific law or regulation.
2. For quick reference, the following are excluded from FERS coverage:
 - temporary employees serving under appointments (other than provisional appointments) of 1 year or less;
 - employees with intermittent work schedules whose appointments are other than career or career-conditional;
 - employees who are ineligible for OASDI coverage (for example, nonresident foreign nationals);
 - employees under another retirement system for Federal employees (for example, CSRS only); and
 - employees under CSRS Interim or Offset who meet the 5-year test.

Section 10A1.3-5 (Cont.)**E. FERS Quick
Reference (Cont.)**

3. In addition, most CSRS and CSRS Offset employees may elect to transfer to FERS upon reemployment after a break in service of 4 or more days.
 4. Employees with the following appointments, which are excluded from CSRS coverage, are **not** excluded from FERS: term appointments, temporary appointments-PER (TAPER), and excepted appointments designated as indefinite.
 5. Once an employee has FERS coverage, he or she is covered by FERS in all future positions unless the position or appointment is excluded from coverage by law or regulation.
-

Section 10A1.3-6 Social Security Amendments of 1983: Inclusions, Exclusions, and Exceptions

- A. Authority** The Social Security Amendments of 1983 (section 101 of Public Law 98-21) required new employees appointed on or after January 1, 1984, to have OASDI coverage. In addition, certain current senior officials and rehires were made subject to OASDI coverage. >See Chapter 9 of the *Social Security Handbook* for a detailed discussion of the special Social Security coverage provisions for Federal employees.<
-
- B. Coverage of New Hires** New employees who were first hired by the Federal government after December 31, 1983, are covered by OASDI. This means first hired in the civilian service and does not include military service performed before January 1, 1984. The exception is nonresident aliens, who are excluded from OASDI coverage.
-
- C. Coverage of Senior Officials** The Social Security Amendments of 1983 extended mandatory Social Security coverage to certain senior officials, effective January 1, 1984, even though these senior officials also had other retirement coverage as Federal employees. These senior officials are as follows.
1. All Members, Delegates, and Resident Commissioners of or to Congress, including the Vice President.
- NOTE 1: For retirement purposes, the term "Members of Congress" includes the Vice President, a Delegate to the House of Representatives, and the Resident Commissioner from Puerto Rico (5 U.S.C. 2106).
- NOTE 2: Under CSRS, Members of Congress were covered only if they elected to be covered. Under FERS, Members of Congress are covered unless they "irrevocably" elect not to be covered; however, there are special provisions for those who were Members of Congress from December 31, 1983, through the FERS open season of July through December 1987.

Section 10A1.3-6 (Cont.)**C. Coverage of
Senior Officials
(Cont.)**

2. Persons in Executive Schedule positions covered in sections 5312 through 5317 of title 5, U.S. Code.

NOTE 1: Some positions listed in 5 U.S.C. 5312 through 5317 had already been removed from the Executive Schedule as a result of the Civil Service Reform Act and placed in the Senior Executive Service (SES) without corresponding revisions having been made to title 5. Therefore, persons serving in positions covered in sections 5312 through 5317 who were actually in the SES with career appointments rather than the Executive Schedule were **not** mandatorily covered by Social Security. Persons serving in executive level positions that are not specifically listed in sections 5312 through 5317, but which were designated to be treated as if they were so listed also did **not** mandatorily come under Social Security coverage on January 1, 1984.

NOTE 2: Career SES officials who were appointed before November 10, 1988, by the President to an Executive Schedule position with Senate confirmation, could elect, under 5 U.S.C. 3392(c) to elect to retain their CSRS only retirement coverage as if they had remained as career SES, and not be covered by Social Security. Officials appointed on or after November 10, 1988, must have Social Security coverage and no longer have this option.

3. Noncareer appointees in the Senior Executive Service (SES).

NOTE 1: **Noncareer appointees.** Some noncareer appointees in the SES had never been covered under the CSRS and instead had Social Security coverage. Employees who were serving under noncareer (designated as indefinite) SES appointments were (and still are) excluded from CSRS coverage by OPM's regulations. (See section 10A1.3-3C.) Public Law 98-21, therefore, had no real effect on their status.

Section 10A1.3-6 (Cont.)C. Coverage of
Senior Officials
(Cont.)

NOTE 2: **Limited term and emergency appointees.** Limited term and limited emergency appointees in the SES are specifically excluded from the definition of a "noncareer appointee" as given in title 5, U.S. Code. Limited term and limited emergency SES appointees are covered by Social Security, but not under mandatory coverage provisions. They are excluded from CSRS coverage by regulation unless the CSRS coverage the employee had in a prior position continues because there has not been a break in service of at least 4 days. Therefore, if a career employee under CSRS moves to a limited term or limited emergency appointment in the SES without a break in service of 4 or more days, CSRS coverage continues and the employee continues to be excluded from Social Security.

4. Individuals on the White House staff appointed under section 105(a)(1), 106(a)(1), or 107(a)(1) or (b)(1) of title 3, U.S. Code, if the maximum rate of pay for their positions is at or above the rate for level V of the Executive Schedule (\$63,800 in January 1984).

5. Certain Federal judges, including:

- a. Judges of the U.S. Claims Court
- b. Judges of the U.S. Tax Court
- c. U.S. magistrates;
- d. U.S. bankruptcy judges; and
- e. Judges of the U.S. Court of Military Appeals. (The Department of Defense determined that Public Law 98-21 applied to these judges even though they were not specifically listed in that law. These judges are appointed by the President and confirmed by the Senate.)

NOTE: Judges of the U.S. Tax Court, bankruptcy judges, and U.S. magistrates have CSRS coverage unless they waive it in favor of the systems for these judges.

Section 10A1.3-6 (Cont.)

**D. Inclusion by
History of Service**

Certain Federal employees with Federal service prior to 1984 are subject to OASDI because of their employment history. Individuals are subject to OASDI taxes if any one of the following conditions apply.

1. They were first hired by the Federal government before January 1, 1984, but did not acquire any CSRS or FERS coverage (or the retirement coverage under another system for Federal employees) until after 1983 (for example, temporary employees.)
2. They have a break in service of more than 365 days that ended after December 31, 1983.

EXCEPTIONS: Employees may be excluded if the employee separated to perform service with an international organization >before January 1, 1995<, the American Institute in Taiwan, or uniformed service with the Armed Forces of the United States. (See the >*Social Security Handbook*, Special Coverage Provisions<, for more details on these exceptions.)

3. They have a break in CSRS coverage (or other retirement coverage under another system for Federal employees) of more than 365 days that ended after December 31, 1983.

EXAMPLE 1: A CSRS-covered employee had a break in service of 6 months, returned to a temporary appointment for 3 months, and then had a break of 5 months before going to his or her new position. The employee is now subject to Social Security because a total of 14 months (more than 1 year) elapsed before the employee returned to a position covered by CSRS.

EXAMPLE 2: A CSRS-covered employee had a break in service of 6 months before returning to a temporary appointment of 3 months. One month later, the employee then received an appointment covered by CSRS. The employee is not subject to Social Security because less than 1 year has elapsed between the position originally subject to full CSRS coverage and the new position covered by CSRS.

Section 10A1.3-6 (Cont.)**E. DC Employees
and Other Non-
Federal
Employment
Covered by CSRS
Only**

Employment with the District of Columbia is not Federal employment, even though it is creditable service for CSRS. Therefore, any employee who is hired by a Federal agency on or after January 1, 1984, following service with the District of Columbia government will be subject to OASDI unless the individual also was a Federal employee covered by full CSRS within 365 days of the new appointment. The same rule applies with regard to most other non-Federal employment which has been covered by CSRS.

**F. Social Security
Amendments of
1983 Quick
Reference**

1. Most individuals who have had continuous service since before 1984 and who have never paid OASDI taxes remain excluded from OASDI taxes.
 2. However, the following Federal employees are now subject to full Social Security contributions:
 - Employees first hired after 1983;
 - >Employees first hired before January 1, 1984, but who did not acquire Federal retirement coverage until after 1983;< or
 - Employees who have had a break in service and/or CSRS coverage of more than 365 days ending after December 31, 1983; or
 - Certain senior officials.
 3. **REFERENCE:** See the >*Social Security Handbook*, Special Coverage Provisions chapter<, for a more detailed description of Social Security coverage.
-

Section 10A1.3-7 Decision Factors in Determining Coverage**A. Introduction**

The decision factors described below and in the following pages are used in the decision tables in Part 10A2 for making coverage determinations. They are the key decision points, or questions, that must be answered when making a determination. This section describes the role each factor plays in the coverage determination process.

B. Factors

1. The factors that affect coverage fall into three categories:
 - a. Prior FERS coverage;
 - b. Service history; and
 - c. Type of appointment.
2. The impact of specific decision factors within these general categories is described below.

C. Prior FERS Coverage

Once an employee has FERS coverage by election or automatic coverage he or she will be covered by FERS in all future appointments unless excluded by law or regulation.

D. History of Service

1. The following factors relating to an employee's service history affect the coverage.
 - a. **Date of first hire after December 31, 1983:** Employees first hired after December 31, 1983, are subject to full OASDI taxes unless they are excluded from coverage under Social Security (for example, foreign nationals serving overseas). Social Security coverage is the critical factor in determining whether an employee is covered by CSRS or FERS, and, if CSRS, whether it is full coverage or Offset coverage.
 - b. **5-year test:** If this test is satisfied an employee will not be automatically converted to FERS. (See section 10A1.1-2I.)
2. **Creditable civilian service:** Apply the following guidelines in calculating the amount of creditable civilian service that is included in the 5-year test.

Section 10A1.3-7 (Cont.)

**D. History of Service
(Cont.)**

- a. Count all creditable civilian service and potentially creditable civilian service regardless of the appointment on which the employee was serving. (See discussion of potentially creditable service in subparagraph 7.)
 - b. Do **not** use the employee's SCD recorded on the SF-50 to determine length of creditable civilian service. This SCD is adjusted to reflect the amount of service creditable towards **leave**, not retirement coverage. It may also include military service, which is not to be used in determining coverage. Do, however, count time that is creditable as civilian service because it qualifies as a period of military furlough.
3. **365-day break in service:** This factor determines whether an employee who is eligible to continue CSRS coverage has regular coverage or CSRS Offset coverage. Rehired Federal employees who have a break in CSRS coverage of greater than 365 days are covered by OASDI. Service with the Armed Forces of the United States when the employee returns to his or her former position, service under another retirement system for Federal employees, service with an international organization, and service with the American Institute in Taiwan do not count toward a 365-day break in service.
- >When a former employee who was receiving workers' compensation benefits under FECA, the Federal Employees Compensation Act, returns to duty, the time he or she was in receipt of FECA benefits is considered a leave of absence, not a separation from employment. In determining length of separation, if any, for OASDI tax purposes, disregard all periods of time during which the employee was (or was considered to be) on leave of absence without pay.<
4. **Break in service of 3 days or less:** Employees who change from a position or type of appointment that is covered to one that is excluded from coverage by regulation (but not by law) and have no break in service or a break of 3 days or less, retain retirement coverage in the new position. This is known as continuity of coverage and is applicable to both CSRS and FERS.
- EXAMPLE:** An employee who is covered by CSRS in a career appointment accepts a temporary appointment with a break in service of 3 days or less. The employee continues to be covered by CSRS in the temporary appointment.
5. **Exception to 3-day break rule:** A CSRS employee who becomes a senior official may become subject to CSRS Offset or FERS. (See Chapter 101, Special Retirement Provisions for Senior Officials.)

Section 10A1.3-7 (Cont.)**D. History of Service
(Cont.)**

6. **Non-Federal service creditable under CSRS:** Non-Federal service, such as with the DC Government or the Legal Services Corporation, which is creditable under CSRS is counted in determining how much creditable service an employee has for retirement purposes. **Except as specified in subparagraph 3 above**, it does not, however, count in determining whether an employee has a 365-day break in >Federal< service. Therefore, when an employee moves from such non-Federal employment to a Federal position, use the rules for first hires or rehires to determine retirement coverage.
7. **Potentially creditable service:**
 - a. Certain categories of service become fully creditable only if the employee takes certain actions, such as applying to pay for the service by a deadline established in law or waiving rights to benefits under another retirement system for Federal employees.
 - b. For example, service covered by the Foreign Service Retirement System or the Tennessee Valley Authority's retirement plan is potentially (but not fully) creditable until an employee has waived his or her rights to benefits under the other system and made any deposit necessary to OPM. In making coverage determinations (and determining if a CSRS component exists) count all creditable civilian service that is potentially creditable on the effective date of the personnel action requiring the coverage determination.
 - c. The resulting coverage decision remains valid even though the employee may never ever take all the actions needed for the service to become fully creditable.

**E. Type of
Appointment**

The following factors relating to an employee's type of appointment affect coverage.

- a. **Type of appointment.** Some types of appointments (temporary and intermittent) are excluded from coverage under both CSRS and FERS. Other types of appointments (for example, term, TAPER, and indefinite) are excluded from CSRS coverage by regulation, but not from FERS. See Subpart 10A1.3 for a complete list of exclusions and exceptions to FERS and CSRS.

Section 10A1.3-7 (Cont.)

E. Type of Appointment (Cont.)

- b. **Qualification as a senior official.** Certain senior officials are mandatorily covered by Social Security under the Social Security Amendments of 1983. With one exception an employee who becomes one of these senior officials is covered by OASDI and cannot continue only full CSRS coverage. Section 10A1.3-6 contains a list of these senior officials. Chapter 101 provides complete coverage determination procedures since they have special coverage and election options.

F. Summary of Decision Factors

The following table lists those decision factors that are relevant for coverage determinations for:

- new hires;
- transfers and conversions; and
- rehires

EMPLOYEE CATEGORY	RELEVANT FACTORS
New hires (after 12/31/83)	<ul style="list-style-type: none"> • Type of appointment • Non-Federal service creditable under CSRS • Exclusion from OASDI coverage
Transfers and Conversions	<ul style="list-style-type: none"> • FERS election • Date of first hire • 5-year test • Classification as senior official • Type of appointment
Rehires	<ul style="list-style-type: none"> • All decision factors are relevant unless previously under FERS. If employee was under FERS, he or she continues under FERS unless this appointment is excluded.

Part 10A2 Procedures for Determining Coverage**Section 10A2.1-1 Procedure for First Hires**

- A. Definition** **First hires** are newly hired employees who have **no prior civilian service** with the Federal government. (Certain new hires may have non-Federal service that is covered or creditable under CSRS.)
- B. General Rule** Employees who are first hired after December 31, 1983, are covered by FERS **unless** they are serving under temporary limited appointments NTE 1 year or appointments with intermittent tours of duty.
- C. Exceptions** First hires excluded from OASDI (for example, certain foreign nationals) cannot be covered by FERS or CSRS Offset. Foreign nationals appointed after December 31, 1986, are also excluded from CSRS coverage.
- D. Non-Federal Service Covered by CSRS** New Federal employees who have had prior non-Federal service that was covered by CSRS may also be excluded from FERS, depending on the amount of this service. The employee is normally covered by OASDI. Apply the 5-year test to determine if the employee has FERS or CSRS Offset coverage.
- E. Coverage Determination Table** The following table is an aid to help you make correct coverage determinations for new employees.

STEP	DECISION FACTOR	IF YES ...	IF NO ...
1	Does employee have prior non-Federal service that was covered by or creditable under CSRS? (See section 10A1.3-3B)	Go to Step 2	Go to Step 5
2	Does employee meet 5 year test? (See section 10A1.1-2I)	Go to Step 3	Coverage under FERS
3	Is current appointment excluded from CSRS? (See section 10A1.3-3)	Go to Step 4	Coverage under CSRS Offset with option to elect FERS
4	Is current appointment excluded from FERS? (See section 10A1.3-5)	Coverage under FICA only (unless not applicable)	Covered by FICA with option to elect FERS
5	Is appointment excluded from FERS by law or regulation? (See section 10A1.3-5)	Coverage under FICA only (unless not applicable)	Coverage under FERS

Section 10A2.1-2 Procedure for Transfers and Conversions to New Appointments

A. Definition

1. **Transfers** occur when employees move from one position or type of appointment to another between agencies with **no break in service or a break of 3 days or less**.
2. **Conversions** occur when employees move from one appointment in an agency to another appointment in the same agency with no break in service or with a break in service of 3 days or less. (Natures of action for conversions begin with a "5," for example, 500, 501, 570.)

NOTE: Employees moving into a Federal agency from positions under the DC Government are not transferring since the move is not from a Federal agency. Apply rules for first hires or rehires, depending on whether the person also has prior creditable service. The same applies for other non-Federal service that was covered under the CSRS.

B. General Rule

Usually coverage does not change upon transfer. It often changes upon conversion.

C. Exceptions

An individual's coverage may change if:

1. the new position is excluded by law,
 2. the employee is moving into or out of a senior official position mandatorily covered by Social Security (for example, noncareer SES),
 3. the employee is moving from an appointment without retirement coverage under CSRS or FERS (for example, temporary NTE 1 year) to a career-conditional or other type of appointment that confers retirement coverage,
 4. the employee is moving from an appointment without retirement coverage under CSRS or FERS (for example, temporary NTE 1 year) to an appointment that is excluded under CSRS, but not under FERS (for example, term), or
 5. the employee is moving from a position under another retirement system, (for example, FERS or TVA).
-

D. Cross-Servicing Arrangements

With cross-servicing arrangements, an employee may change agencies, but have the same servicing payroll office, or remain within the same agency, but be under a **different** payroll office. Although these changes may require closing out the employee's retirement records in the losing organization, a change in payroll office does not affect retirement coverage.

Section 10A2.1-2 (Cont.)**E. Coverage
Determination
Table**

The following table is an aid to help you make coverage decisions for employees who transfer or convert to new appointments.

STEP	DECISION FACTOR	IF YES ...	IF NO ...
1	Does employee qualify as a senior official? (See section 10A1.3-6C)	See Chapter 101	Go to Step 2
2	Was last employment under another Federal retirement system (for example, FSRS)?	Skip to Step 5	Go to Step 3
3	Was last appointment covered by OASDI (FICA) only?	Go to Step 4	Employee retains previous coverage
4	Did employee previously have FERS coverage?	Skip to Step 11	Go to Step 5
5	Was employee first hired after 12/31/83?	Skip to Step 11	Go to Step 6
6	Is the current appointment temporary NTE 1 year or intermittent and not career or career conditional?	Employee covered under FICA only	Go to Step 7
7	Is the current appointment excluded from CSRS by law or regulation? (See section 10A1.3-3)	Go to Step 8	Skip to Step 9
8	Does employee meet the 5-year test? (See section 10A1.1-2I)	Employee covered under FICA only with option to elect FERS	Employee covered under FERS
9	Is current appointment now subject to FICA ? (See section 10A1.3-6)	Go to Step 10	Employee covered under CSRS with option to elect FERS
10	Does employee meet the 5-year test? (See section 10A1.1-2I)	Employee covered under CSRS Offset with option to elect FERS	Employee covered under FERS
11	Is the current appointment temporary NTE 1 year or intermittent and not career or career conditional (that is, excluded from FERS)?	Employee covered under FICA only	Employee covered under FERS

Section 10A2.1-3 Procedure for Rehires**A. Definition**

Rehires are those employees who have previous Federal civilian service and are being reemployed by the Federal government following a break in service of more than 3 days.

B. General Rules

1. Employees under FERS: If an employee was previously in FERS, the employee continues to have FERS coverage in the new position unless excluded by law or regulation.

2. Employees not formerly under FERS:

If an employee has a break in >full< CSRS service of	Then ...
greater than 365 days	Unless the new position is excluded by law or regulation, apply the 5-year test to determine if the employee is >now< in CSRS Offset or FERS . Reference: See section 10A1.1-2I for a definition of the 5-year test.
less than 365 days or an exception applies due to type of break (for example, uniformed military service)	The employee retains previous coverage unless the new position is excluded by law or regulation.

C. Election Opportunity

Anyone who is not already covered by FERS and whose new appointment is not excluded from FERS by law or regulation has a personal 6-month opportunity to elect FERS upon being rehired after a break in service of more than 3 days.

Section 10A2.1-3 (Cont.)**D. Coverage
Determination
Procedure**

The following table is an aid for making coverage determinations when employees are rehired after a break in service.

STEP	DECISION FACTOR	IF YES ...	IF NO ...
1	Does employee qualify as a senior official? (See section 10A1.3-6C)	See Chapter 101	Go to Step 2
2	Did employee previously have FERS coverage?	Skip to Step 9	Go to Step 3
3	Was employee first hired after 12/31/83?	Skip to Step 9	Go to Step 4
4	Is current appointment temporary NTE 1 year or intermittent and not career or career-conditional?	Coverage under FICA only	Go to Step 5
5	Is employee's current appointment excluded from CSRS by law or regulation? (See section 10A1.3-3)	Go to Step 6	Skip to Step 7
6	Does employee meet 5-year test? (See section 10A1.1-2I)	FICA only with option to elect FERS	Coverage under FERS
7	Is current appointment now subject to FICA ? (See section 10A1.3-6)	Go to Step 8	Coverage under CSRS with option to elect FERS
8	Does employee meet the 5-year test? (See section 10A1.1-2I)	Coverage under CSRS Offset with option to elect FERS	Coverage under FERS
9	Is the current appointment temporary NTE 1 year or intermittent and not career or career conditional (that is, excluded from FERS)?	Coverage under FICA only	Coverage under FERS

Part 10A3 Review of Prior Coverage Determinations**Section 10A3.1-1 Performing a Review of Prior Coverage****A. Purpose**

Since correct retirement coverage now depends on a number of factors, it sometimes is necessary to verify prior coverage determinations. In particular, coverage determinations for employees who had creditable civilian service before 1984 **and** who have had one or more breaks in service or changes in type of appointment may be susceptible to errors. The purpose of this section is to provide the tools to facilitate reviews of prior coverage determinations when an agency believes that a review is needed.

**B. Resources
Required**

You need the employee's Official Personnel Folder/Merged Records Personnel Folder (OPF/MRPF) to review prior coverage determinations.

C. Procedure

To review prior coverage, follow this procedure.

STEP	ACTION
1	Check the employee's OPF/MRPF for FERS Election. Look for an SF 50 (or equivalent) showing action code 803/Chg in Retirement Plan and a retirement code of K, L, M, or N, or the OPF copy of a FERS election on >either Standard Form 3109 or the old< OPM Form 1555 (1561 or 1563 for certain senior officials). If you see an OPM Form 1561 or 1563, this indicates the employee was a senior official with special elections (see Chapter 101 of this Handbook for senior official rules). If the employee has previously elected FERS , he or she retains FERS coverage unless excluded by law or regulation in the new position.
2	Compile an Employment Checklist History, listing the employee's personnel actions and retirement coverage. Use all potentially creditable civilian service. Do not include military service. (Do, however, include military furlough time that is creditable as civilian service.) Use this history as a record of the employee's service with respect to coverage. A copy of a standard worksheet to use for your checklist follows.
3	Verify coverage. Use the appropriate coverage determination table (that is, New Hire, Transfer or Conversion, or Rehire) to make a decision about coverage independent of a prior agency determination. Then check your decision against the previous determination to see if you came to the same conclusion. If you do not come to the same determination, verify with the employee that the service history you have is correct and complete. If you determine that an error has been made, initiate action to correct the error.

Section 10A3.1-2 Review: Employment History Checklist**A. Worksheet**

Action	Type of Appointment	Coverage	Effective Dates From To		Break in Service?	Eligible to Elect FERS?

Total Service _____

B. Description of Checklist Items.

ITEM	DESCRIPTION
Action	Type of personnel action taken (for example, transfer, conversion) as indicated on SF 50.
Type of appointment	Type of appointment (for example, excepted service, career-conditional) as indicated on SF 50.
Coverage	Retirement coverage employee had while in position. Retirement codes are shown on the SF 50, Item 8 (block 30 as of October 1, 1988). See the <i>>Guide to Personnel Data Standards<</i> (formerly FPM Supplement 292-1) for the definitions of these codes.
Effective dates	Effective dates of personnel actions.
Break in service?	Note each break in service, and its length. Also note if break is: <ul style="list-style-type: none"> • 3 days or less (not considered break); or • is over 365 days (may result in OASDI coverage).
FERS Election	If an employee has a break of 4 or more days on or after July 1, 1987, has not previously acquired FERS coverage, and is not now excluded from FERS, he or she has a new 6-month period to elect FERS. An employee who transfers or converts from an appointment that is excluded from FERS to one that is not also has a 6-month opportunity to elect FERS. The receipt copy or the OPF copy of <i>>Standard Form 3109, Election of Coverage</i> (formerly OPM Form 1555),< is documentation that this opportunity was given.

Section 10A3.1-3 Example: Review of Prior Determinations

- A. Introduction** The following example illustrates how an agency might perform a review of prior coverage determinations to insure that the employee's current coverage status is correct.
- B. Step 1: Check for FERS Election** In checking through the employee's OPF/MRPF, there was no record of a prior FERS election. If the employee had elected FERS, Step 2 of the review procedure could be limited to service before the election.
- C. Step 2: Compile Checklist History** The following sample checklist was compiled to review the employee's history of service and prior coverage.

Action	Type of Appointment	Coverage	Effective Dates From To		Break in Service?	Eligible to Elect FERS?
First Hired	Temp. NTE (date)	2 (FICA)	1/2/70	7/31/70	NA	NA
Conversion	Career-Cond.	1 (CSRS)	8/1/70	7/31/73	NO	NA
Chg in Tenure	Career	1 (CSRS)	8/1/73	3/31/75	NO	NA
Rehire	Temp Appt NTE (date)	2 (FICA)	7/1/78	8/31/78	YES	NA
Rehire	Reinstatement Career	1 (CSRS)	5/1/81	8/31/82	YES	NA
Transfer	Career	1 (CSRS)	9/1/82	2/29/88	NO	7/1/87 to 12/31/87
*Rehire	Reinstatement Career	C (CSRS) Offset	6/1/90	8/31/90	YES	6/1/90 to 11/30/90
*Transfer	Career	CSRS Offset	9/1/90	3/31/91	NO	9/1/90 to 11/30/90
*Transfer	Career	CSRS Offset	4/1/91		NO	—

* Indicates determinations in question for review.

Section 10A3.1-3 (Cont.)**D. Step 3: Verify
Determination**

In verifying past determinations, be sure you listed all potentially creditable civilian service. For employees with service before 1987, look at each change in appointment that has occurred since January 1, 1984, to determine if the employee had a break in CSRS coverage that exceeds 365 days, or was first hired after >December 31, 1983<.

The tables on the next page show how an agency used the employment history in the preceding example to verify coverage determinations upon the employee's reemployment on June 1, 1990, and transfer on September 30, 1990.

>Copies of Coverage Determination Tables are in Subchapter 10C.<

Section 10A3.1-3 (Cont.) E. Decision Factor Tables

STEP	DECISION FACTOR	IF YES ...	IF NO ...
1	Does employee qualify as a senior official? (See section >10A1.3-6C<)	See Chapter 101	Go to Step 2 ✓
2	Did employee previously have FERS coverage?	Skip to Step 9	Go to Step 3 ✓
3	Was employee first hired after 12/31/83?	Skip to Step 9	Go to Step 4 ✓
4	Is current appointment temporary NTE 1 year or intermittent and not career or career-conditional	Coverage under FICA only	Go to Step 5 ✓
5	Is employee's current appointment excluded from CSRS by law or regulation? (See section 10A1.3-3).	Go to Step 6	Skip to Step 7 ✓
6	Does employee meet 5-year test? (See section 10A1.1-2L.)	FICA only with option to elect FERS	Coverage under FERS
7	Is current appointment now subject to FICA? (See section 10A1.3-5.)	Go to Step 8 ✓	Coverage under CSRS with option to elect FERS
8	Does employee meet 5-year test? (See section 10A1.1-2L.)	Coverage under CSRS Offset with option to elect FERS	Coverage under FERS
9	Is the current appointment temporary NTE 1 year or intermittent and not career or career conditional (that is, excluded from FERS)?	Coverage under FICA only	Coverage under FERS

↑

ACTION 1: Reemployment 6/1/90

Conclusion of CSRS Offset correct because employee had a break in service exceeding 365 days.

ACTION 2: Transfer 9/1/90 →

Conclusion of CSRS Offset correct because employee had become subject to OASDI service, and status did not change upon transfer.

STEP	DECISION FACTOR	IF YES ...	IF NO ...
1	Does employee qualify as a senior official? (See 10A1.3-6C)	See chapter for special procedures	Go to Step 2 ✓
2	Was last employment under another Federal retirement system (for example, FERS)?	Go to Step 5	Go to Step 3 ✓
3	Was last appointment covered by OASDI (FICA) only?	Go to Step 4	Employee retains previous coverage
4	Did employee previously have FERS coverage?	Skip to Step 11	Go to Step 5
5	Was employee first hired after 12/31/83?	Skip to 11	Go to Step 6
6	Is the current appointment temporary NTE 1 year of intermittent and not career or career conditional?	Employee covered under FICA only	Go to Step 7
7	Is the current appointment excluded from CSRS by law or regulation? (See Section 10A1.1-2I)	Go to Step 8	Skip to Step 9
8	Does employee meet the 5-year test? (See Section 10A1.1-2I)	Employee covered under FICA only with option to elect FERS	Employee covered under FERS
9	Is current appointment now subject to FICA? (See Section 10A1.3-5)	Go to Step 10	Employee covered under CSRS with option to elect FERS
10	Does employee meet the 5-year test? (See Section 10A1.1-2I)	Employee covered under CSRS Offset with option to elect FERS?	Employee covered under FERS
11	Is the current appointment temporary NTE 1 year or intermittent and not career or career conditional (that is, excluded from FERS)?	Employee covered under FICA only	Employee covered under FERS

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Subchapter 10B Examples of Application of Coverage Rules
Part 10B1 New Hires**Section 10B1.1-1 Examples of Coverage Determinations for New Hires**

**A. Organization of
Subchapter**

Part	Name of Part	Page
10B1	New Hires	45
10B2	Transfers and Conversions	51
10B3	Rehires	65

B. Description

The illustrations that follow show different situations involving newly hired employees.

- Example 1 -- First Hire, No Prior Coverage
- Example 2 -- First Hire, Prior Non-Federal CSRS Coverage
- Example 3 -- First Hire, Prior Military Service

NOTE: In each of the following examples, a "?" indicates the information to be determined.

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Example 1: First Hire, FERS Coverage

A. Description The following example illustrates FERS coverage upon initial appointment.

B. Checklist History

Action	Type of Appointment	Coverage	Effective Dates From	To	Follows a Break in Service?	Eligible to Elect FERS?
First Hired	Career Cond.	?	8/1/88		NA	?

Total
Service None

C. Determination Procedure

STEP	DECISION FACTOR	IF YES ...	IF NO ...
1	Does employee have prior non-Federal service which was covered by or creditable under CSRS ? (See section 10A1.3-3 B)	Go to Step 2	Go to Step 5 ✓
2	Does employee meet 5-year test? (See section 10A1.1-2I)	Go to Step 3	Coverage under FERS
3	Is current appointment excluded from CSRS ? (See section 10A1.3-3)	Go to Step 4	Coverage under CSRS Offset with option to elect FERS
4	Is current appointment excluded from FERS ? (See section 10A1.3-5)	Coverage under FICA only (unless not applicable)	Covered by FICA with option to elect FERS
5	Is appointment excluded from FERS by law or regulation? (See section 10A1.3-5)	Coverage under FICA only (unless not applicable)	Coverage under FERS

D. Conclusion Since the employee has no prior Federal service, or service that is creditable under the CSRS, he or she has FERS coverage.

Example 2: First Hire, Prior Non-Federal CSRS Coverage

A. Description The following example illustrates CSRS Offset coverage upon initial Federal appointment because of prior non-Federal CSRS coverage.

B. Checklist History

Action	Type of Appointment	Coverage	Effective Dates From	To	Follows a Break In Service?	Eligible to Elect FERS?
DC Govt	Career	CSRS	6/1/80	7/30/87	NA	NA
First Hired	Career Cond.	?	4/1/88		YES	?

Total
Service 7 years 2 months

C. Determination Procedure

STEP	DECISION FACTOR	IF YES ...	IF NO ...
1	Does employee have prior non-Federal service which was covered by or creditable under CSRS ? (See section 10A1.3-3B)	Go to Step 2 ✓	Go to Step 5
2	Does employee meet 5-year test? (See section 10A1.1-2I)	Go to Step 3 ✓	Coverage under FERS
3	Is current appointment excluded from CSRS ? (See section 10A1.3-3)	Go to Step 4	Coverage under CSRS Offset with option to elect FERS
4	Is current appointment excluded from FERS ? (See section 10A1.3-5)	Coverage under FICA only (unless not applicable)	Covered by FICA with option to elect FERS
5	Is appointment excluded from FERS by law or regulation? (See section 10A1.3-5)	Coverage under FICA only (unless not applicable)	Coverage under FERS

D. Conclusion

Even though employee has no prior Federal service, he or she has more than 5 years of creditable civilian service **and** prior CSRS coverage. Therefore, he or she is excluded from automatic FERS coverage. CSRS Offset applies because DC Government service doesn't count in determining continued exclusion for OASDI. Employee is eligible to elect FERS. (See Chapter 12, Special Coverage Rules, for more information.)

Example 3: First Hire, Prior Military Service


A. Description The following example illustrates FERS Offset coverage upon initial Federal **civilian** appointment, even though person has prior military service.

B. Checklist History Service history: Military service from 8/1/68 to 7/31/88

Action	Type of Appointment	Coverage	Effective Dates From To	Follows a Break in Service?	Eligible to Elect FERS?
First Hired	Career Cond.	?	8/15/88	NA	?

Total
Service None

C. Determination Procedure

STEP	DECISION FACTOR	IF YES ...	IF NO ...
1	Does employee have prior non-Federal service which was covered by or creditable under CSRS ? (See section 10A1.3-3B)	Go to Step 2	Go to Step 5 
2	Does employee meet 5-year test? (See section 10A1.1-2I)	Go to Step 3	Coverage under FERS
3	Is current appointment excluded from CSRS ? (See section 10A1.3-3)	Go to Step 4	Coverage under CSRS Offset with option to elect FERS
4	Is current appointment excluded from FERS ? (See section 10A1.3-5)	Coverage under FICA only (unless not applicable)	Covered by FICA with option to elect FERS
5	Is appointment excluded from FERS by law or regulation? (See section 10A1.3-5)	Coverage under FICA only (unless not applicable)	Coverage under FERS

D. Conclusion Even though employee has 20 years of military service, this is the first civilian service. Therefore, the employee has automatic FERS coverage.

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Part 10B2 Transfers and Conversions**Section 10B2.1-1 Examples of Coverage Determinations for Transfers and Conversions**

A. Description

This subsection illustrates five different coverage scenarios for transfers and conversions:

- Example 1 -- Transfer with No Change in Coverage
- Example 2 -- Conversion to Different Appointment,
When Employee Has More Than 5 Years Service
- Example 3 -- Change in Type of Appointment, When Employee Has
Less Than 5 Years Service
- Example 4 -- Continuity of Coverage When Employee Accepts an
Excluded Appointment with No Break in Service
- Example 5 -- Change in Type of Appointment after a Break in Service
- Example 6 -- Transfer from TVA with No Break in Service

NOTE: In each of the following examples a "?" indicates the information to be determined. CPDF retirement coverage codes are shown in parentheses.

Section 10B2.1-1 (Cont.)**Example 1: Transfer With No Change in Coverage**

A. Description The following example illustrates a transfer situation with no change in retirement coverage.

B. Checklist History

Action	Type of Appointment	Coverage	Effective Dates		Follows a Break in Service?	Eligible to Elect FERS?
			From	To		
First Hired	Career Cond.	CSRS (1)	12/1/82	11/30/85	NA	NA
Change in Tenure	Career	CSRS(1)	12/1/85	7/18/87	NO	7/1/87 - 7/18/87
Transfer	Career	?	7/19/87		NO	?

Total
Service 4 years 7 months

C. Coverage Determination Table -- Example 1 (Cont.)

STEP	DECISION FACTOR	IF YES ...	IF NO ...
1	Does employee qualify as a senior official? (See section 10A1.3-6C)	See Chapter 101	Go to Step 2 ✓
2	Was last employment under another Federal retirement system (for example, FSRS)?	Skip to Step 5	Go to Step 3 ✓
3	Was last appointment covered by OASDI (FICA) only?	Go to Step 4	Employee retains previous coverage
4	Did employee previously have FERS coverage?	Skip to Step 11	Go to Step 5
5	Was employee first hired after 12/31/83?	Skip to Step 11	Go to Step 6
6	Is the current appointment temporary NTE 1 year or intermittent and not career or career conditional?	Employee covered under FICA only	Go to Step 7
7	Is the current appointment excluded from CSRS by law or regulation? (See section 10A1.3-3)	Go to Step 8	Skip to Step 9
8	Does employee meet the 5-year test? (See section 10A1.1-2I)	Employee covered under FICA only with option to elect FERS	Employee covered under FERS
9	Is current appointment now subject to FICA ? (See section 10A1.3-6)	Go to Step 10	Employee covered under CSRS with option to elect FERS
10	Does employee meet the 5-year test? (See section 10A1.1-2I)	Employee covered under CSRS Offset with option to elect FERS	Employee covered under FERS
11	Is the current appointment temporary NTE 1 year or intermittent and not career or career conditional (that is, excluded from FERS)?	Employee covered under FICA only	Employee covered under FERS

D. Conclusion

Since the person transferred with no break in service to an appointment subject to retirement coverage, this employee remains under CSRS at the full 7 percent rate. He or she also continues to be eligible to elect FERS for the remainder of the 6-month open season.

Section 10B2.1-1 (Cont.)**Example 2: Conversion to Different Appointment, When Employee Has More Than 5 Years Service****A. Description**

The following example illustrates a coverage determination after an employee's appointment changed from one that did not confer coverage to one that does (that is, temporary to career-conditional) after more than 5 years of service as of December 31, 1986, and no break in service after December 31, 1986.

B. Checklist History

Action	Type of Appointment	Coverage	Effective Dates		Break in Service?	Eligible to Elect FERS?
			From	To		
First Hired	Indefinite	FICA only (2)	4/1/77	12/31/82	NA	NA
Rehire	Temporary	FICA only (2)	9/1/86	8/30/87	YES	NA
Conversion	Career-cond.	?	9/1/87		NO	?

Total
Service 6 years 9 months

C. Coverage Determination Table -- Example 2 (Cont.)

STEP	DECISION FACTOR	IF YES...	IF NO...
1	Does employee qualify as a senior official? (See section 10A1.3-6C)	See Chapter 101	Go to Step 2 ✓
2	Was last employment under another Federal retirement system (for example, FSRS)?	Skip to Step 5	Go to Step 3 ✓
3	Was last appointment covered by OASDI (FICA) only?	Go to Step 4 ✓	Employee retains previous coverage
4	Did employee previously have FERS coverage?	Skip to Step 11	Go to Step 5 ✓
5	Was employee first hired after 12/31/83?	Skip to Step 11	Go to Step 6 ✓
6	Is the current appointment temporary NTE 1 year or intermittent and not career or career conditional?	Employee covered under FICA only	Go to Step 7 ✓
7	Is the current appointment excluded from CSRS by law or regulation? (See section 10A1.3-3)	Go to Step 8	Skip to Step 9 ✓
8	Does employee meet the 5-year test? (See section 10A1.1-2I)	Employee covered under FICA only with option to elect FERS	Employee covered under FERS
9	Is current appointment now subject to FICA? (See section 10A1.3-6)	Go to Step 10 ✓	Employee covered under CSRS with option to elect FERS
10	Does employee meet the 5-year test? (See section 10A1.1-2I)	Employee covered under CSRS Offset with option to elect FERS	Employee covered under FERS
11	Is the current appointment temporary NTE 1 year or intermittent and not career or career conditional (that is, excluded from FERS)?	Employee covered under FICA only	Employee covered under FERS

D. Conclusion

Employee is in CSRS Offset because he or she had 5 years of creditable civilian service as of December 31, 1986, and no break in service after December 31, 1986. He or she has a 6-month opportunity to elect FERS. If employee had had at least a 4-day break in service after December 31, 1986, he or she would automatically be covered by FERS because he or she has no prior covered service.

Section 10B2.1-1 (Cont.)**Example 3: Change in Type of Appointment, When Employee Has Less Than 5 Years Service****A. Description**

The following example illustrates a coverage determination after a change in agencies from an appointment that did not confer coverage to one that does (that is, temporary to career-conditional), with less than 5 years creditable service.

B. Checklist History

Action	Type of Appointment	Coverage	Effective Dates		Follows a Break in Service?	Eligible to Elect FERS?
			From	To		
First Hired	Temporary	FICA only (2)	3/1/91	2/29/92	NA	NA
Appointment in another agency	Career-cond.	?	3/1/92	-----	-----	?

Total
Service 1 year

C. Coverage Determination Table -- Example 3 (Cont.)

STEP	DECISION FACTOR	IF YES...	IF NO...
1	Does employee qualify as a senior official? (See section 10A1.3-6C)	See Chapter 101	Go to Step 2 ✓
2	Was last employment under another Federal retirement system (for example, FSRs)?	Skip to Step 5	Go to Step 3 ✓
3	Was last appointment covered by OASDI (FICA) only?	Go to Step 4 ✓	Employee retains previous coverage
4	Did employee previously have FERS coverage?	Skip to Step 11	Go to Step 5 ✓
5	Was employee first hired after 12/31/83?	Skip to Step 11 ✓	Go to Step 6
6	Is the current appointment temporary NTE 1 year or intermittent and not career or career conditional?	Employee covered under FICA only	Go to Step 7
7	Is the current appointment excluded from CSRS by law or regulation? (See section 10A1.3-3)	Go to Step 8	Skip to Step 9
8	Does employee meet the 5-year test? (See section 10A1.1-2I)	Employee covered under FICA only with option to elect FERS	Employee covered under FERS
9	Is current appointment now subject to FICA? (See section 10A1.3-6)	Go to Step 10	Employee covered under CSRS with option to elect FERS
10	Does employee meet the 5-year test? (See section 10A1.1-2I)	Employee covered under CSRS Offset with option to elect FERS	Employee covered under FERS
11	Is the current appointment temporary NTE 1 year or intermittent and not career or career conditional (that is, excluded from FERS)?	Employee covered under FICA only	Employee covered under FERS

D. Conclusion Employee is automatically covered by FERS.

Section 10B2.1-1 (Cont.)**Example 4: Continuity of Coverage When Employee Accepts an Excluded Appointment With No Break in Service****A. Description**



The following example illustrates a conversion of an employee who has been covered under FERS to an appointment under which he or she would ordinarily not be covered, but is covered because there was no break in service of over 3 days.

B. Checklist History

Action	Type of Appointment	Coverage	Effective Dates		Follows a Break in Elect FERS?	Eligible to
			From	To		
First Hired	Career-cond.	FERS(K)	2/1/87	7/31/89	NA	NA
Conversion	Temporary	?	8/3/89	-----	NO	?

Total
Service 2 years 6 months

C. Coverage Determination Table -- Example 4 (Cont.)

STEP	DECISION FACTOR	IF YES...	IF NO...
1	Does employee qualify as a senior official? (See section 10A1.3-6C)	See Chapter 101	Go to Step 2 
2	Was last employment under another Federal retirement system (for example, FRS)?	Skip to Step 5	Go to Step 3 
3	Was last appointment covered by OASDI (FICA) only?	Go to Step 4	Employee retains previous coverage
4	Did employee previously have FERS coverage?	Skip to Step 11	Go to Step 5
5	Was employee first hired after 12/31/83?	Skip to Step 11	Go to Step 6
6	Is the current appointment temporary NTE 1 year or intermittent and not career or career conditional?	Employee covered under FICA only	Go to Step 7
7	Is the current appointment excluded from CSRS by law or regulation? (See section 10A1.3-3)	Go to Step 8	Skip to Step 9
8	Does employee meet the 5-year test? (See section 10A1.1-2I)	Employee covered under FICA only with option to elect FERS	Employee covered under FERS
9	Is current appointment now subject to FICA? (See section 10A1.3-6)	Go to Step 10	Employee covered under CSRS with option to elect FERS
10	Does employee meet the 5-year test? (See section 10A1.1-2I)	Employee covered under CSRS Offset with option to elect FERS	Employee covered under FERS
11	Is the current appointment temporary NTE 1 year or intermittent and not career or career conditional (that is, excluded from FERS)?	Employee covered under FICA only	Employee covered under FERS

D. Conclusion

Employee retains FERS coverage because break in service was less than 4 days. (If the employee had a break of 4 days or more, the employee would have been a rehire and would have had coverage under FICA only.)

Section 10B2.1-1 (Cont.)**Example 5: Change in Type of Appointment After a Break in Service****A. Description**

The following example illustrates coverage after more than 5 years of creditable service, but no covered service and a break after 12/31/86.

B. Checklist History

Action	Type of Appointment	Coverage	Effective Dates From To		Service?	Follows a Break in Elect FERS?	Eligible to
First Hired	Indefinite	FICA (2)	4/1/77		12/31/82	NA	NA
Rehire	Temporary	FICA (2)	9/1/86		8/30/87	YES	NO
Rehire	Temporary	FICA (2)	10/1/88		11/30/88	YES	NO
Conversion	Career	? 12/1/88			NO	?	

Total
Service 6 years 11 months

C. Coverage Determination Table -- Example 5 (Cont.)

STEP	DECISION FACTOR	IF YES...	IF NO...
1	Does employee qualify as a senior official? (See section 10A1.3-6C)	See Chapter 101	Go to Step 2 ✓
2	Was last employment under another Federal retirement system (for example, FSRs)?	Skip to Step 5	Go to Step 3 ✓
3	Was last appointment covered by OASDI (FICA) only?	Go to Step 4 ✓	Employee retains previous coverage
4	Did employee previously have FERS coverage?	Skip to Step 11	Go to Step 5 ✓
5	Was employee first hired after 12/31/83?	Skip to Step 11	Go to Step 6 ✓
6	Is the current appointment temporary NTE 1 year or intermittent and not career or career conditional?	Employee covered under FICA only	Go to Step 7 ✓
7	Is the current appointment excluded from CSRS by law or regulation? (See section 10A1.3-3)	Go to Step 8	Skip to Step 9 ✓
8	Does employee meet the 5-year test? (See section 10A1.1-2I)	Employee covered under FICA only with option to elect FERS	Employee covered under FERS
9	Is current appointment now subject to FICA? (See section 10A1.3-6)	Go to Step 10 ✓	Employee covered under CSRS with option to elect FERS
10	Does employee meet the 5-year test? (See section 10A1.1-2I)	Employee covered under CSRS Offset with option to elect FERS	Employee covered under FERS
11	Is the current appointment temporary NTE 1 year or intermittent and not career or career conditional (that is, excluded from FERS)?	Employee covered under FICA only	Employee covered under FERS

D. Conclusion

Employee is in FERS. Even though he had more than 5 years service, he had no prior CSRS or Foreign Service coverage **and** he had a break in service after 12/31/86. All service is credited under FERS rules and the employee does not have a future CSRS annuity component.

Section 10B2.1-1 (Cont.)**Example 6: Transfer from TVA With No Break in Service**

A. Description The following example illustrates coverage after more than 5 years of creditable service, no covered service and no break after 12/31/86.

B. Checklist History

Action	Type of Appointment	Coverage	Effective Dates		Follows a Break in Service?	Eligible to Elect FERS?
			From	To		
First Hired	TVA	TVA	4/1/77	8/30/88	NA	NA
Transfer	Career	?	9/1/88	-----	NO	?

Total
Service 11 years 5 months

C. Coverage Determination Table -- Example 6 (Cont.)

STEP	DECISION FACTOR	IF YES...	IF NO...
1	Does employee qualify as a senior official? (See section 10A1.3-6C)	See Chapter 101	Go to Step 2 ✓
2	Was last employment under another Federal retirement system (for example, FSRS)?	Skip to Step 5 ✓	Go to Step 3
3	Was last appointment covered by OASDI (FICA) only?	Go to Step 4	Employee retains previous coverage
4	Did employee previously have FERS coverage?	Skip to Step 11	Go to Step 5
5	Was employee first hired after 12/31/83?	Skip to Step 11	Go to Step 6 ✓
6	Is the current appointment temporary NTE 1 year or intermittent and not career or career conditional?	Employee covered under FICA only	Go to Step 7 ✓
7	Is the current appointment excluded from CSRS by law or regulation? (See section 10A1.3-3)	Go to Step 8	Skip to Step 9 ✓
8	Does employee meet the 5-year test? (See section 10A1.1-2I)	Employee covered under FICA only with option to elect FERS	Employee covered under FERS
9	Is current appointment now subject to FICA? (See section 10A1.3-6)	Go to Step 10 ✓	Employee covered under CSRS with option to elect FERS
10	Does employee meet the 5-year test? (See section 10A1.1-2I)	Employee covered under CSRS Offset with option to elect FERS	Employee covered under FERS
11	Is the current appointment temporary NTE 1 year or intermittent and not career or career conditional (that is, excluded from FERS)?	Employee covered under FICA only	Employee covered under FERS

D. Conclusion

Employee is in CSRS Offset. >Since he had no break in service after 12/31/86, he needed only 5 years of creditable service as of 12/31/86 to meet the 5-year test. All TVA service is potentially creditable under CSRS and the employee has a future CSRS annuity component if he waives his right to TVA benefits. If he had had a break of 4 days or more after 12/31/86, he would have been automatically covered by FERS and all the service would have been creditable under FERS rules. (See Chapter 12.)<

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Part 10B3 Rehires**Section 10B3.1-1 Examples of Coverage Determinations For Rehires**

A. Description

The illustrations that follow show nine different situations involving rehires:

- Example 1 -- Change in Social Security and Retirement Coverage
- Example 2 -- No Social Security or Coverage Change
- Example 3 -- Automatic Conversion to FERS
- Example 4 -- Period of Non-Covered Service
- Example 5 -- Previous FERS Coverage
- Example 6 -- Position Excluded from CSRS Coverage
- Example 7 -- Effect of FICA Rules on Non-Federal Service
Under CSRS
- Example 8 -- Effect of FERS Rules on Term, Temp Appt-PER, and
Appointment That is Indefinite
- Example 9 -- Restoration After Separation for Military Service
- Example 10 -- Former CSRS Disability Retiree
- Example 11 -- Effect of OWCP on Coverage

NOTE: In each of the following examples a "?" indicates the information to be determined. CPDF retirement codes are shown in parentheses.

Section 10B3.1-1 (Cont.)**Example 1: Change in Social Security and Retirement Coverage**

A. Description This example illustrates how a break in service of over 365 days, after the 1983 Social Security Amendments, changed retirement coverage.

B. Checklist History

Action	Type of Appointment	Coverage	Effective Dates		Follows a Break in Service?	Eligible to Elect FERS?
			From	To		
First Hired	Career-Cond.	CSRS (1)	8/1/83	11/30/88	NA	7/1/87-12/31/87
Reinstated	Career	?	10/7/90		365+	?

Total
Service 5 years 4 months

D. Coverage Determination Procedure -- Example 1 (Cont.)

STEP	DECISION FACTOR	IF YES ...	IF NO ...
1	Does employee qualify as a senior official? (See section 10A1.3-6C)	See Chapter 101	Go to Step 2 ✓
2	Did employee previously have FERS coverage?	Skip to Step 9	Go to Step 3 ✓
3	Was employee first hired after 12/31/83?	Skip to Step 9	Go to Step 4 ✓
4	Is current appointment temporary NTE 1 year or intermittent and not career or career-conditional?	Coverage under FICA only	Go to Step 5 ✓
5	Is employee's current appointment excluded from CSRS by law or regulation? (See section 10A1.3-3)	Go to Step 6	Skip to Step 7 ✓
6	Does employee meet 5-year test? (See section 10A1.1-2I)	FICA only with option to elect FERS	Coverage under FERS
7	Is current appointment now subject to FICA ? (See section 10A1.3-6)	Go to Step 8 ✓	Coverage under CSRS with option to elect FERS
8	Does employee meet the 5-year test? (See section 10A1.1-2I)	Coverage under CSRS Offset with option to elect FERS	Coverage under FERS
9	Is the current appointment temporary NTE 1 year or intermittent and not career or career conditional (that is, excluded from FERS)?	Coverage under FICA only	Coverage under FERS

D. Conclusion

Employee is covered by CSRS Offset. Employee has 6-month opportunity to elect FERS.

Section 10B3.1-1 (Cont.)**Example 2: No Social Security or Coverage Change**

A. Description This example illustrates the effect of a break in service of **less than 365 days** on the employee's retirement status upon return to service.

B. Checklist History

Action	Type of Appointment	Coverage	Effective Dates		Follows a Break in Service?	Eligible to Elect FERS?
			From	To		
First Hired	Career-Cond.	CSRS (1)	12/15/83	12/14/87	NA	7/1/87-12/14/87
Reinstated	Career	? 5/1/88	YES		?	

Total
Service 4 years

C. Coverage Determination Procedure -- Example 2 (Cont.)

STEP	DECISION FACTOR	IF YES ...	IF NO ...
1	Does employee qualify as a senior official? (See section 10A1.3-6C)	See Chapter 101	Go to Step 2 ✓
2	Did employee previously have FERS coverage?	Skip to Step 9	Go to Step 3 ✓
3	Was employee first hired after 12/31/83?	Skip to Step 9	Go to Step 4 ✓
4	Is current appointment temporary NTE 1 year or intermittent and not career or career-conditional?	Coverage under FICA only	Go to Step 5 ✓
5	Is employee's current appointment excluded from CSRS by law or regulation? (See section 10A1.3-3)	Go to Step 6	Skip to Step 7 ✓
6	Does employee meet 5-year test? (See section 10A1.1-2I)	FICA only with option to elect FERS	Coverage under FERS
7	Is current appointment now subject to FICA ? (See section 10A1.3-6)	Go to Step 8	Coverage under CSRS with option to elect FERS
8	Does employee meet the 5-year test? (See section 10A1.1-2I)	Coverage under CSRS Offset with option to elect FERS	Coverage under FERS
9	Is the current appointment temporary NTE 1 year or intermittent and not career or career conditional (that is, excluded from FERS)?	Coverage under FICA only	Coverage under FERS

D. Conclusion

Employee is still exempt from OASDI and therefore, correctly remains under CSRS at the full 7 percent deduction rate. Employee has a 6-month opportunity to elect FERS.

Section 10B3.1-1 (Cont.)**Example 3: Automatic Conversion to FERS**

A. Description This example illustrates retirement status when a rehired employee's previous service was less than 5 years.

B. Checklist History

Action	Type of Appointment	Coverage	Effective Dates From To		Break in Service?	Follows a Eligible to Elect FERS?
First Hired	Temporary	FICA (2)	12/27/83	5/30/84	NA	NA
Conversion	Career-Cond.	CSRS-Interim (C)	6/1/84	12/31/86	NA	NA
Rein- statement	Career-Cond.	?	4/1/88		365+	?

Total
Service 3 years

C. Coverage Determination Procedure -- Example 3 (Cont.)

STEP	DECISION FACTOR	IF YES ...	IF NO ...
1	Does employee qualify as a senior official? (See section 10A1.3-6C)	See Chapter 101	Go to Step 2 ✓
2	Did employee previously have FERS coverage?	Skip to Step 9	Go to Step 3 ✓
3	Was employee first hired after 12/31/83?	Skip to Step 9	Go to Step 4 ✓
4	Is current appointment temporary NTE 1 year or intermittent and not career or career-conditional?	Coverage under FICA only	Go to Step 5 ✓
5	Is employee's current appointment excluded from CSRS by law or regulation? (See section 10A1.3-3)	Go to Step 6	Skip to Step 7 ✓
6	Does employee meet 5-year test? (See section 10A1.1-2I)	FICA only with option to elect FERS	Coverage under FERS
7	Is current appointment now subject to FICA ? (See section 10A1.3-6)	Go to Step 8 ✓	Coverage under CSRS with option to elect FERS
8	Does employee meet the 5-year test? (See section 10A1.1-2I)	Coverage under CSRS Offset with option to elect FERS	Coverage under FERS
9	Is the current appointment temporary NTE 1 year or intermittent and not career or career conditional (that is, excluded from FERS)?	Coverage under FICA only	Coverage under FERS

D. Conclusion

Employee had less than 5 years of creditable service, so was therefore automatically covered by FERS when he or she was rehired.

Section 10B3.1-1 (Cont.)**Example 4: Period of Noncovered Service**

A. Description This example illustrates a case where the employee has previous covered service followed by a period of noncovered service.

B. Checklist History

Action	Type of Appointment	Coverage	Effective Dates From To		Break in Service?	Follows a Eligible to Elect FERS?
First Hired	Career-Cond.	CSRS (1)	5/1/71	4/30/77	NA	NA
Rehire	Temporary (C)	FICA only (2)	7/1/87	12/30/87	365+	NO
Rein- statement	Career	?	8/8/88	-----	3+	?

Total
Service 6 years 6 months

C. Coverage Determination Procedure -- Example 4 (Cont.)

STEP	DECISION FACTOR	IF YES ...	IF NO ...
1	Does employee qualify as a senior official? (See section 10A1.3-6C)	See Chapter 101	Go to Step 2 ✓
2	Did employee previously have FERS coverage?	Skip to Step 9	Go to Step 3 ✓
3	Was employee first hired after 12/31/83?	Skip to Step 9	Go to Step 4 ✓
4	Is current appointment temporary NTE 1 year or intermittent and not career or career-conditional?	Coverage under FICA only	Go to Step 5 ✓
5	Is employee's current appointment excluded from CSRS by law or regulation? (See section 10A1.3-3)	Go to Step 6	Skip to Step 7 ✓
6	Does employee meet 5-year test? (See section 10A1.1-2I)	FICA only with option to elect FERS	Coverage under FERS
7	Is current appointment now subject to FICA ? (See section 10A1.3-6)	Go to Step 8 ✓	Coverage under CSRS with option to elect FERS
8	Does employee meet the 5-year test? (See section 10A1.1-2I)	Coverage under CSRS Offset with option to elect FERS	Coverage under FERS
9	Is the current appointment temporary NTE 1 year or intermittent and not career or career conditional (that is, excluded from FERS)?	Coverage under FICA only	Coverage under FERS

D. Conclusion

Employee is covered by CSRS Offset because he or she met the 5-year test and had a break in CSRS coverage that exceeds 365 days. He or she now has a 6-month opportunity to elect FERS.

Section 10B3.1-1 (Cont.)

Example 5: Previous FERS Service

A. Description This example illustrates an employee first hired after December 31, 1983, who has previous FERS coverage.

B. Checklist History

Action	Type of Appointment	Coverage	Effective Dates From To		Follows a Break in Service?	Eligible to Elect FERS?
First Hired	Career-Cond.	CSRS Interim (C)	11/22/84	12/31/86	NA	NA
Change in Retirement Plan	(No Change)	FERS (K)	1/1/87	12/21/87	NA	NA
Rein- statement	Career	?	7/3/88	-----	4+	?

Total
Service 3 years 1 month

C. Coverage Determination Procedure -- Example 5 (Cont.)

STEP	DECISION FACTOR	IF YES ...	IF NO ...
1	Does employee qualify as a senior official? (See section 10A1.3-6C)	See Chapter 101	Go to Step 2 ✓
2	Did employee previously have FERS coverage?	Skip to Step 9 ✓	Go to Step 3
3	Was employee first hired after 12/31/83?	Skip to Step 9	Go to Step 4
4	Is current appointment temporary NTE 1 year or intermittent and not career or career-conditional?	Coverage under FICA only	Go to Step 5
5	Is employee's current appointment excluded from CSRS by law or regulation? (See section 10A1.3-3)	Go to Step 6	Skip to Step 7
6	Does employee meet 5-year test? (See section 10A1.1-2I)	FICA only with option to elect FERS	Coverage under FERS
7	Is current appointment now subject to FICA ? (See section 10A1.3-6)	Go to Step 8	Coverage under CSRS with option to elect FERS
8	Does employee meet the 5-year test? (See section 10A1.1-2I)	Coverage under CSRS Offset with option to elect FERS	Coverage under FERS
9	Is the current appointment temporary NTE 1 year or intermittent and not career or career conditional (that is, excluded from FERS)?	Coverage under FICA only	Coverage under FERS

D. Conclusion Employee remains in FERS.

Section 10B3.1-1 (Cont.)

Example 6: Position Excluded from CSRS Coverage

A. Description This example illustrates a case where the employee is rehired under an appointment excluded by regulation from CSRS, but not from FERS.

B. Checklist History

Action	Type of Appointment	Coverage	Effective Dates		Follows a Break in Service?	Eligible to Elect FERS?
			From	To		
First Hired	Career-Cond.	CSRS (1)	8/1/67	1/1/78	NA	NA
Rehire	Temp-Appt-PER	?	1/2/89	-----	365+	?

Total
Service 10 years 5 months

C. Coverage Determination Procedure -- Example 6 (Cont.)

STEP	DECISION FACTOR	IF YES ...	IF NO ...
1	Does employee qualify as a senior official? (See section 10A1.3-6C)	See Chapter 101	Go to Step 2 ✓
2	Did employee previously have FERS coverage?	Skip to Step 9	Go to Step 3 ✓
3	Was employee first hired after 12/31/83?	Skip to Step 9	Go to Step 4 ✓
4	Is current appointment temporary NTE 1 year or intermittent and not career or career-conditional?	Coverage under FICA only	Go to Step 5 ✓
5	Is employee's current appointment excluded from CSRS by law or regulation? (See section 10A1.3-3)	Go to Step 6 ✓	Skip to Step 7
6	Does employee meet 5-year test? (See section 10A1.1-2I)	FICA only with option to elect FERS	Coverage under FERS
7	Is current appointment now subject to FICA ? (See section 10A1.3-6)	Go to Step 8	Coverage under CSRS with option to elect FERS
8	Does employee meet the 5-year test? (See section 10A1.1-2I)	Coverage under CSRS Offset with option to elect FERS	Coverage under FERS
9	Is the current appointment temporary NTE 1 year or intermittent and not career or career conditional (that is, excluded from FERS)?	Coverage under FICA only	Coverage under FERS

D. Conclusion

Although the employee had 5 years of creditable service and prior CSRS coverage, the new appointment is excluded from CSRS. Therefore, the employee is covered by FICA only, and the employee has a 6-month opportunity to elect FERS.

Section 10B3.1-1 (Cont.)

Example 7: Effect of FICA Rules on Non-Federal Service Under CSRS

A. Description This example illustrates the effect of non-Federal service, which does not exclude an employee from FICA coverage.

B. Checklist History

Action	Type of Appointment	Coverage	Effective Dates		Follows a Break in Service?	Eligible to Elect FERS?
			From	To		
First Hired	Temporary	FICA (2)	6/1/78	4/29/79	NA	NA
D.C.Govt.	Career	CSRS (1)	4/30/79	1/4/88	NO	NO
Rehire	Career	?	1/5/88	-----	365+	

Total
Service 9 years 7 months

C. Coverage Determination Procedure -- Example 7 (Cont.)

STEP	DECISION FACTOR	IF YES ...	IF NO ...
1	Does employee qualify as a senior official? (See section 10A1.3-6C)	See Chapter 101	Go to Step 2 ✓
2	Did employee previously have FERS coverage?	Skip to Step 9	Go to Step 3 ✓
3	Was employee first hired after 12/31/83?	Skip to Step 9	Go to Step 4 ✓
4	Is current appointment temporary NTE 1 year or intermittent and not career or career-conditional?	Coverage under FICA only	Go to Step 5 ✓
5	Is employee's current appointment excluded from CSRS by law or regulation? (See section 10A1.3-3)	Go to Step 6	Skip to Step 7 ✓
6	Does employee meet 5-year test? (See section 10A1.1-2I)	FICA only with option to elect FERS	Coverage under FERS
7	Is current appointment now subject to FICA ? (See section 10A1.3-6)	Go to Step 8 ✓	Coverage under CSRS with option to elect FERS
8	Does employee meet the 5-year test? (See section 10A1.1-2I)	Coverage under CSRS Offset with option to elect FERS	Coverage under FERS
9	Is the current appointment temporary NTE 1 year or intermittent and not career or career conditional (that is, excluded from FERS)?	Coverage under FICA only	Coverage under FERS

D. Conclusion

Employee is covered by CSRS Offset and has 6 months in which he or she may elect FERS.

NOTE: Employee was not eligible to elect FERS while with DC Government because DC Government employees are excluded from FERS. >(See Chapter 12 for more on DC Government.)<

Section 10B3.1-1 (Cont.)

Example 8: Effect of FERS Rules on Term, Temp Appt-PER, or Appointment That Is Indefinite**A. Description**

This example illustrates the effect of the FERS rules, which do **not** exclude Terms, Temp Appt-PER (TAPER), and appointments that are indefinite, on retirement coverage when the employee had 5 years of creditable civilian service as of last separation, but did not have any prior CSRS-covered service.

B. Checklist History

Action	Type of Appointment	Coverage	Effective Dates		Follows a	Eligible to Elect FERS?
			From	To	Break in Service?	
First Hired	Temporary	FICA (2)	6/1/78	4/29/78	NA	NA
Conversion	Term Appt	FICA (2)	4/30/78	3/1/82	NO	NA
Rehire	Temporary	FICA (2)	4/30/82	9/30/82	4+	NA
Rehire	Temporary	FICA (2)	2/1/87	1/30/88	365+	NA
Rehire	Excepted Appt (Indefinite)	?	3/1/88	-----	4+ --	?

Total
Service 5 years 2 months

C. Coverage Determination Procedure -- Example 8 (Cont.)

STEP	DECISION FACTOR	IF YES ...	IF NO ...
1	Does employee qualify as a senior official? (See section 10A1.3-6C)	See Chapter 101	Go to Step 2 ✓
2	Did employee previously have FERS coverage?	Skip to Step 9	Go to Step 3 ✓
3	Was employee first hired after 12/31/83?	Skip to Step 9	Go to Step 4 ✓
4	Is current appointment temporary NTE 1 year or intermittent and not career or career-conditional?	Coverage under FICA only	Go to Step 5 ✓
5	Is employee's current appointment excluded from CSRS by law or regulation? (See section 10A1.3-3)	Go to Step 6 ✓	Skip to Step 7
6	Does employee meet 5-year test? (See section 10A1.1-2I)	FICA only with option to elect FERS	Coverage under FERS
7	Is current appointment now subject to FICA ? (See section 10A1.3-6)	Go to Step 8	Coverage under CSRS with option to elect FERS
8	Does employee meet the 5-year test? (See section 10A1.1-2I)	Coverage under CSRS Offset with option to elect FERS	Coverage under FERS
9	Is the current appointment temporary NTE 1 year or intermittent and not career or career conditional (that is, excluded from FERS)?	Coverage under FICA only	Coverage under FERS

D. Conclusion

Employee is covered by FERS, because even though he/she had 5 years civilian service as of the last separation, he/she did not have prior CSRS or Foreign Service coverage.

Section 10B3.1-1 (Cont.)**Example 9: Restoration After Separation for Military Service****A. Description**

This example illustrates the effect of military service, after which the employee exercises restoration rights, on retirement coverage.

B. Checklist History

Action	Type of Appointment	Coverage	Effective Dates From To		Follows a Break in Service?	Eligible to Elect FERS?
First Hired	Career-Cond.	CSRS (1)	12/15/79	12/14/85	NA	NA
Military	NA	NA	12/15/85	12/14/87	NA	NA
Restoration after military service	Career	?	12/15/87	-----	NO	?

Total
Service 8 years

C. Coverage Determination Procedure -- Example 9 (Cont.)

STEP	DECISION FACTOR	IF YES ...	IF NO ...
1	Does employee qualify as a senior official? (See section 10A1.3-6C)	See Chapter 101	Go to Step 2 ✓
2	Did employee previously have FERS coverage?	Skip to Step 9	Go to Step 3 ✓
3	Was employee first hired after 12/31/83?	Skip to Step 9	Go to Step 4 ✓
4	Is current appointment temporary NTE 1 year or intermittent and not career or career-conditional?	Coverage under FICA only	Go to Step 5 ✓
5	Is employee's current appointment excluded from CSRS by law or regulation? (See section 10A1.3-3)	Go to Step 6	Skip to Step 7 ✓
6	Does employee meet 5-year test? (See section 10A1.1-2I)	FICA only with option to elect FERS	Coverage under FERS
7	Is current appointment now subject to FICA ? (See section 10A1.3-6)	Go to Step 8	Coverage under CSRS with option to elect FERS
8	Does employee meet the 5-year test? (See section 10A1.1-2I)	Coverage under CSRS Offset with option to elect FERS	Coverage under FERS
9	Is the current appointment temporary NTE 1 year or intermittent and not career or career conditional (that is, excluded from FERS)?	Coverage under FICA only	Coverage under FERS

D. Conclusion

Employee remains in CSRS and has 6 months in which to elect FERS.

Explanation: When an employee exercises restoration rights after military service, for FICA purposes, he or she is considered to have been an employee during the period of military service and previous retirement coverage continues. In this example, the person's military service also counts as civilian service because the employee was rehired under military restoration rules and he/she served for less than 5 consecutive years in the military service. (>Generally,< restoration rights do not apply if an employee serves for more than 5 continuous years in the military service.)

Section 10B3.1-1 (Cont.)**Example 10: Former CSRS Disability Retiree**

A. Description This example illustrates the effect of a break in service of **more than 365 days** on the employee's retirement coverage upon return to service after being a CSRS disability annuitant.

B. Checklist History

Action	Type of Appointment	Coverage	Effective Dates From To		Follows a Break in Service?	Eligible to Elect FERS?
First Hired	Career-Cond.	CSRS (1)	12/15/83	12/14/89	NA	7/1/87-12/31/87
Retired: Disability	NA	NA	12/15/89	6/30/95	NA	NA
Reinstated	Career	?	10/1/95	-----	YES	?

Total
Service 6 years

C. Coverage Determination Procedure -- Example 10 (Cont.)

STEP	DECISION FACTOR	IF YES ...	IF NO ...
1	Does employee qualify as a senior official? (See section 10A1.3-6C)	See Chapter 101	Go to Step 2 ✓
2	Did employee previously have FERS coverage?	Skip to Step 9	Go to Step 3 ✓
3	Was employee first hired after 12/31/83?	Skip to Step 9	Go to Step 4 ✓
4	Is current appointment temporary NTE 1 year or intermittent and not career or career-conditional?	Coverage under FICA only	Go to Step 5 ✓
5	Is employee's current appointment excluded from CSRS by law or regulation? (See section 10A1.3-3)	Go to Step 6	Skip to Step 7 ✓
6	Does employee meet 5-year test? (See section 10A1.1-2I)	FICA only with option to elect FERS	Coverage under FERS
7	Is current appointment now subject to FICA ? (See section 10A1.3-6)	Go to Step 8 ✓	Coverage under CSRS with option to elect FERS
8	Does employee meet the 5-year test? (See section 10A1.1-2I)	Coverage under CSRS Offset with option to elect FERS	Coverage under FERS
9	Is the current appointment temporary NTE 1 year or intermittent and not career or career conditional (that is, excluded from FERS)?	Coverage under FICA only	Coverage under FERS

D. Conclusion

Employee is covered by OASDI because he or she has been separated more than 365 days. Employee has a 6-month opportunity to elect FERS.

Section 10B3.1-1 (Cont.)**Example 11: Effect of OWCP on Coverage**

A. Description This example illustrates the effect of the exception to the 365 day break rule when an employee has been receiving OWCP benefits.

B. Checklist History

Action	Type of Appointment	Coverage	Effective Dates From To		Follows a Break in Service?	Eligible to Elect FERS?
First Hired	Career-Cond.	CSRS (1)	11/1/83	1/31/88	NA	7/1/87-12/31/87
Separated	Received OWCP	NA	2/1/88	9/30/95	NA	NA
Reinstated	Career	?	10/1/95	?	?	

Total
Service 4 years 3 months

C. Coverage Determination Procedure -- Example 11 (Cont.)

STEP	DECISION FACTOR	IF YES ...	IF NO ...
1	Does employee qualify as a senior official? (See section 10A1.3-6C)	See Chapter 101	Go to Step 2 ✓
2	Did employee previously have FERS coverage?	Skip to Step 9	Go to Step 3 ✓
3	Was employee first hired after 12/31/83?	Skip to Step 9	Go to Step 4 ✓
4	Is current appointment temporary NTE 1 year or intermittent and not career or career-conditional?	Coverage under FICA only	Go to Step 5 ✓
5	Is employee's current appointment excluded from CSRS by law or regulation? (See section 10A1.3-3)	Go to Step 6	Skip to Step 7 ✓
6	Does employee meet 5-year test? (See section 10A1.1-2I)	FICA only with option to elect FERS	Coverage under FERS
7	Is current appointment now subject to FICA ? (See section 10A1.3-6)	Go to Step 8	Coverage under CSRS with option to elect FERS
8	Does employee meet the 5-year test? (See section 10A1.1-2I)	Coverage under CSRS Offset with option to elect FERS	Coverage under FERS
9	Is the current appointment temporary NTE 1 year or intermittent and not career or career conditional (that is, excluded from FERS)?	Coverage under FICA only	Coverage under FERS

D. Conclusion

Employee is still exempt from OASDI and, therefore, correctly remains under CSRS at the full 7 percent deduction rate because he or she was receiving OWCP benefits during the separation.

>If, on his return, the employee receives a different type of appointment than the one he had (for example, temporary instead of career), the rehire table may not give him the correct retirement coverage. When the employee received OWCP benefits throughout the separation, use the transfer or conversion table to determine retirement coverage. Also, see Chapter 11 for an explanation of his FERS election option.<

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Subchapter 10C Job Aids**Section 10C1.1-1 Copies of Job Aids****A. Description**

This subchapter contains copies of the following job aids that agencies may reproduce locally.

- Coverage Determination Table for First Hire Coverage
 - Coverage Determination Table for Transfer or Conversion
 - Coverage Determination Table for Rehire Coverage
 - >Where to Find Listing of Retirement Codes.<
-

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Section 10C Job Aids**Coverage Determination Table for First Hire**

Name _____ Social Security _____

Date of Appointment _____

STEP	DECISION FACTOR	IF YES ...	IF NO ...
1	Does employee have prior non-Federal service which was covered by or creditable under CSRS? (See section 10A1.3-3B)	Go to Step 2	Go to Step 5
2	Does employee meet 5-year test? (See section 10A1.1-2I)	Go to Step 3	Coverage under FERS
3	Is current appointment excluded from CSRS? (See section 10A1.3-3)	Go to Step 4	Coverage under CSRS Offset with option to elect FERS
4	Is current appointment excluded from FERS? (See section 10A1.3-5)	Coverage under FICA only (unless not applicable)	Covered by FICA with option to elect FERS
5	Is appointment excluded from FERS by law or regulation? (See section 10A1.3-5)	Coverage under FICA only (unless not applicable)	Coverage under FERS

Prepared by: _____
(Name)

Date _____

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Section 10C Job Aids (Cont.)**Coverage Determination Table for Transfers and Conversions**

Name _____ Social Security _____

Date of Action _____

STEP	DECISION FACTOR	IF YES...	IF NO...
1	Does employee qualify as a senior official? (See section 10A1.3-6C)	See Chapter 101	Go to Step 2
2	Was last employment under another Federal retirement system (for example, FERS)?	Skip to Step 5	Go to Step 3
3	Was last appointment covered by OASDI (FICA) only?	Go to Step 4	Employee retains previous coverage
4	Did employee previously have FERS coverage?	Skip to Step 11	Go to Step 5
5	Was employee first hired after 12/31/83?	Skip to Step 11	Go to Step 6
6	Is the current appointment temporary NTE 1 year or intermittent and not career or career conditional?	Employee covered under FICA only	Go to Step 7
7	Is the current appointment excluded from CSRS by law or regulation? (See section 10A1.3-3)	Go to Step 8	Skip to Step 9
8	Does employee meet the 5-year test? (See section 10A1.1-2I)	Employee covered under FICA only with option to elect FERS	Employee covered under FERS
9	Is current appointment now subject to FICA? (See section 10A1.3-6)	Go to Step 10	Employee covered under CSRS with option to elect FERS
10	Does employee meet the 5-year test? (See section 10A1.1-2I)	Employee covered under CSRS Offset with option to elect FERS	Employee covered under FERS
11	Is the current appointment temporary NTE 1 year or intermittent and not career or career conditional (that is, excluded from FERS)?	Employee covered under FICA only	Employee covered under FERS

Prepared by: _____
(Name)

Date _____

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Section 10C Job Aids (Cont.)

Coverage Determination Table for Rehires

Name _____ Social Security _____

Date of Action _____

STEP	DECISION FACTOR	IF YES ...	IF NO ...
1	Does employee qualify as a senior official? (See section 10A1.3-6C)	See Chapter 101	Go to Step 2
2	Did employee previously have FERS coverage?	Skip to Step 9	Go to Step 3
3	Was employee first hired after 12/31/83?	Skip to Step 9	Go to Step 4
4	Is current appointment temporary NTE 1 year or intermittent and not career or career-conditional?	Coverage under FICA only	Go to Step 5
5	Is employee's current appointment excluded from CSRS by law or regulation? (See section 10A1.3-3)	Go to Step 6	Skip to Step 7
6	Does employee meet 5-year test? (See section 10A1.1-2I)	FICA only with option to elect FERS	Coverage under FERS
7	Is current appointment now subject to FICA ? (See section 10A1.3-6)	Go to Step 8	Coverage under CSRS with option to elect FERS
8	Does employee meet the 5-year test? (See section 10A1.1-2I)	Coverage under CSRS Offset with option to elect FERS	Coverage under FERS
9	Is the current appointment temporary NTE 1 year or intermittent and not career or career conditional (that is, excluded from FERS)?	Coverage under FICA only	Coverage under FERS

Prepared by: _____
(Name)

Date _____

REPRODUCE LOCALLY

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Section 10C Job Aids (Cont.)**>Where to Find Listing of Retirement Codes.<**

The Guide to Personnel Data Standards (formerly FPM Supplement 292-1) Contains Data Standards Needed to Satisfy Federal Civilian Workforce Reporting Requirements.

The codes for the SF 50, Notification of Personnel Action, are listed in the Guide along with the definition and/or an explanation of the use of the codes.

The guide is available on OPM's computer bulletin board system, OPM Mainstreet. The number for OPM Mainstreet is (202) 606-4800.